

Exhibit 4

1
2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK
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5 -----X
In Re:) Case No.
6) 12-12020 (MG)
RESIDENTIAL CAPITAL, LLC,)
7 et al.,) Jointly Administered
) Bankr. S.D.N.Y.
8 Debtors.)
9 -----X

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12 CONFIDENTIAL
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15 DEPOSITION OF MAMTA SCOTT
16 Chicago, Illinois
17 Thursday, July 18, 2013
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23 Reported by:
24 PAULA CAMPBELL, CSR, RDR, CRR, CCP
25 JOB NO. 63796

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July 18, 2013
11:05 A.M.

Discovery deposition of MAMTA SCOTT,
held at the offices of MAYER BROWN, 71 South
Wacker Drive, Chicago, Illinois, pursuant to
notice before Paula Campbell, CSR, RDR, CRR,
CCP.

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APPEARANCES:

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CONFIDENTIAL - M. SCOTT

MR. KOTWICK: This is Mark Kotwick. This
is the Mamta Scott deposition. If this is not
what you thought it was, feel free to log off.
Otherwise, I think what we are going to do is
just go around the room and introduce the
counsel who are here and then maybe take a roll
call on the phone so the court reporter knows
who is present and attending either
telephonically or otherwise.

Why don't we start at the one end of the
table.

MR. GELFARB: Good morning. David Gelfarb,
G-e-l-f-a-r-b, representing Freddie Mac.

MS. JAMES: I'm Emma James, Willkie Farr &
Gallagher, and I'm here representing Monarch,
Stonehill, CQS and Bayview.

MR. KOTWICK: My name is Mark Kotwick. I'm
with Seward & Kissel. I represent U.S. Bank as
indenture trustee as well as the witness, Mamta
Scott, who is seated to my right.

MS. WILLIAMS: Suzanne Williams, in-house
counsel at U.S. Bank here representing U.S.
Bank and the witness.

MR. GREEN: Bart Green of Jones Day on

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<p>1 CONFIDENTIAL - M. SCOTT 2 behalf of Financial Guaranty Insurance Company. 3 MR. KOTWICK: That's it for the people in 4 the room. If the people on the phone could 5 introduce themselves, please. 6 MR. KAUFMAN: Philip Kaufman, Kramer Levin, 7 on behalf of the Official Committee of 8 Unsecured Creditors. 9 MR. GELFARB: Can you spell your name? 10 MR. KAUFMAN: K-a-u-f-m-a-n. 11 MR. KOTWICK: Kaufman, K-a-u-f-m-a-n, 12 Philip. 13 MS. KAHAN: Rebecca Kahan, K-a-h-a-n, from 14 Dechert, on behalf of the Bank of New York 15 Mellon Trust Company, N.A., as trustee or 16 indenture trustee. 17 MR. ZIEGLER: David Ziegler from Morrison & 18 Foerster on behalf of the debtor. That's 19 Z-i-e-g-l-e-r. 20 MR. KOTWICK: It's Ziegler, Z-i-e-g-l-e-r. 21 MR. ZIEGLER: Morrison & Foerster. 22 MR. HAO: William Hao, H-a-o, of Alston & 23 Bird on behalf of Wells Fargo Bank. 24 MR. WEITMAN: Mike Weitman, W-e-i-t-m-a-n, 25 from Seward & Kissel and on behalf of Law</p>	<p>1 CONFIDENTIAL - M. SCOTT 2 Debenture Trust Company of New York. 3 MR. DEVORE: Andrew Devore, D, as in dog, 4 e-v, as in Victor, o-r-e, of Ropes & Gray on 5 behalf of the Steering Committee of RMBS 6 Investors. 7 MS. JAMES: Anyone else on the phone? 8 Okay. Good morning, Ms. Scott. 9 REPORTER: Would you please raise your 10 right hand. 11 M A M T A S C O T T, 12 called as a witness, having been duly sworn, 13 was examined and testified as follows: 14 EXAMINATION 15 BY MS. JAMES: 16 Q. All right. Ms. Scott, can you tell me what 17 your role at U.S. Bank is? 18 A. I am a vice president and a default 19 account -- Default Group account manager. 20 Q. Okay. And how long have you had that 21 position? 22 A. I've been with U.S. Bank for two and a half 23 years. 24 Q. Two and a half years. And when did you 25 first become involved with matters relating to the</p>
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<p>1 CONFIDENTIAL - M. SCOTT 2 ResCap bankruptcy? 3 A. Approximately two weeks before they filed 4 for bankruptcy. 5 Q. Okay. And have you had any responsibility 6 or involvement with the FGIC rehabilitation 7 proceedings in New York state court? 8 A. No. 9 Q. Okay. Does someone in your department have 10 involvement with the FGIC rehabilitation 11 proceedings? 12 A. Yes. 13 Q. Yes. Who is that? 14 A. Laura Moran. 15 Q. And what's Laura Moran's title? 16 A. She is also a Default Group account 17 manager. I also believe she is a vice president of 18 the bank. 19 Q. Okay. 20 MR. KOTWICK: Hey, could I ask the people 21 who are on the phone to please put it on mute, 22 please, unless you are going to be speaking. 23 Thank you. 24 Q. Ms. Scott, how many people are in your 25 Default Group?</p>	<p>1 CONFIDENTIAL - M. SCOTT 2 A. I would say approximately 28 account 3 managers. 4 Q. Okay. And Ms. Moran is in the same Default 5 Group as you are? 6 A. Yes. 7 Q. Okay. Who do you report to? 8 A. Tim Pillar, P-i-l-l-a-r. 9 Q. And what's Mr. Pillar's title? 10 A. The same, Default Group account manager. 11 He is also a vice president. 12 Q. What have your responsibilities been in 13 connection with the ResCap bankruptcy? 14 A. To pull together all of the affected 15 transactions, pull together all of the documents 16 related to those transactions, review any motions, 17 anything that we would file on behalf of the bank, 18 understand the claims involved. Several 19 responsibilities. The list goes on and on. 20 Q. Is it fair to say that the -- that matters 21 relating to the ResCap bankruptcy have taken up a 22 significant amount of your time since two and a half 23 weeks before they filed for bankruptcy? 24 MR. KOTWICK: Objection to the form. 25 A. That's correct.</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. The court reporter has marked as Scott</p> <p>3 Exhibit 1 the Notice of Deposition to U.S. Bank, and</p> <p>4 that's in front of you now. Feel free to take a</p> <p>5 look at it.</p> <p>6 (Scott Exhibit 1 marked for</p> <p>7 identification.)</p> <p>8 Q. Have you seen that before?</p> <p>9 A. Yes.</p> <p>10 Q. Okay. And when did you first see this?</p> <p>11 A. I can't recall the exact date, but a few</p> <p>12 weeks back. Yeah, I can't remember the exact date.</p> <p>13 Q. Okay. And have -- did you meet with</p> <p>14 counsel in preparation for this deposition today?</p> <p>15 A. I did.</p> <p>16 Q. When did you first meet with counsel?</p> <p>17 A. July 3rd.</p> <p>18 Q. July 3rd, okay. Did you meet with counsel</p> <p>19 in connection with this deposition at any other</p> <p>20 time?</p> <p>21 A. Yes.</p> <p>22 Q. When was that?</p> <p>23 A. Yesterday.</p> <p>24 Q. And approximately how long did you meet on</p> <p>25 July 3rd?</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I would say approximately five hours.</p> <p>3 Q. Okay. And how long did you meet yesterday?</p> <p>4 A. Approximately seven hours.</p> <p>5 Q. Okay. Did you do anything else in</p> <p>6 preparation for this deposition today, other than</p> <p>7 meeting with counsel?</p> <p>8 A. No.</p> <p>9 Q. Did you review any documents in preparation</p> <p>10 for this deposition today?</p> <p>11 A. I did.</p> <p>12 Q. Okay. And that was with counsel?</p> <p>13 A. That's correct.</p> <p>14 Q. Did you take the time to look over your own</p> <p>15 files in connection with the ResCap bankruptcy and,</p> <p>16 more specifically, the FGIC settlement agreement?</p> <p>17 MR. KOTWICK: Objection to the form.</p> <p>18 A. I did review certain documents, you know,</p> <p>19 after meeting with counsel, yeah.</p> <p>20 Q. Okay. And what documents were they?</p> <p>21 A. I went over my declaration. I can't</p> <p>22 remember, you know, exactly all of the other</p> <p>23 documents involved.</p> <p>24 Q. Okay. And when you say your declaration,</p> <p>25 are you referring to the declaration that was filed</p>
Page 12	Page 13
<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 along with the trustees' joinder to the 9019 motion</p> <p>3 to approve the FGIC settlement agreement?</p> <p>4 A. That's right.</p> <p>5 Q. And we will -- we will look at that</p> <p>6 shortly. I'm going to ask the reporter to mark now</p> <p>7 as Scott Exhibit 2 the debtors' motion pursuant to</p> <p>8 federal rules of bankruptcy 9019 for approval of the</p> <p>9 settlement agreement among the debtors, FGIC, the</p> <p>10 FGIC trustees, and certain institutional investors.</p> <p>11 (Scott Exhibit 2 marked for</p> <p>12 identification.)</p> <p>13 Q. Have you seen this before, Ms. Scott?</p> <p>14 A. Yes, I believe I've seen this.</p> <p>15 Q. Okay. And when did you first see this</p> <p>16 document?</p> <p>17 A. I can't recall.</p> <p>18 Q. Did you see it before it was filed with the</p> <p>19 court?</p> <p>20 A. No, I don't -- I don't believe so.</p> <p>21 Q. Okay. And do you have an understanding as</p> <p>22 to what is discussed in this document?</p> <p>23 MR. KOTWICK: Answer yes or no, please.</p> <p>24 A. Yes.</p> <p>25 Q. Okay. Maybe we will go through it. If you</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 look at paragraph 1 on the first page, it's after</p> <p>3 the table of authorities, it states, "The debtors</p> <p>4 seek approval of a settlement agreement involving 47</p> <p>5 separate securitizations with securities insured by</p> <p>6 FGIC, each a FGIC insured trust and collectively the</p> <p>7 FGIC insured trusts."</p> <p>8 Is U.S. Bank a trustee or an indentured</p> <p>9 trustee in connection with some or all of these 47</p> <p>10 trusts?</p> <p>11 A. Yes.</p> <p>12 Q. How many trusts is U.S. Bank the trustee or</p> <p>13 indentured trustee for out of these 47?</p> <p>14 A. Eight.</p> <p>15 Q. Eight. The next sentence goes on to say,</p> <p>16 "The settlement agreement provides for a broad</p> <p>17 release of claims asserted by both FGIC and the FGIC</p> <p>18 trustees in connection with the FGIC insured</p> <p>19 trusts."</p> <p>20 What's your understanding of the broad</p> <p>21 release of claims that were asserted by FGIC and the</p> <p>22 FGIC trustees?</p> <p>23 MR. KOTWICK: I'm going to object and</p> <p>24 caution the witness to exclude from her answer</p> <p>25 any information she may have learned through a</p>

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<p>1 CONFIDENTIAL - M. SCOTT 2 conversation with counsel. 3 You can answer the question otherwise. 4 A. Can you repeat the question? 5 Q. Sure. 6 What's your understanding of the broad 7 release of claims that were asserted -- let me 8 rephrase it. 9 What's your understanding of the claims 10 that were asserted by FGIC and the FGIC trustees? 11 Let's start with the claims asserted by FGIC. 12 A. I don't believe I can answer the question. 13 Q. Okay. Let's look at paragraph 2, which 14 defines the FGIC claims, and it says that "The 15 settlement agreement," and here we are referring to 16 the FGIC settlement agreement, "resolves three 17 proofs of claim filed by FGIC totaling 5.55 billion 18 in the aggregate." 19 Do you see that? 20 A. I do. 21 Q. All right. Does that help you understand 22 what the FGIC claims are? 23 A. It does not. 24 Q. Okay. Let's go on to paragraph 3, which 25 discusses the FGIC trustees' claims. You understand</p>	<p>1 CONFIDENTIAL - M. SCOTT 2 that -- you just told me that U.S. Bank is trustee, 3 or indentured trustee to eight of the 47 trusts 4 involved here; correct? 5 A. That's right. 6 Q. Okay. So I assume that the FGIC trustee 7 claims include claims made by U.S. Bank; is that 8 correct? 9 A. It might mean that. 10 Q. Okay. Did U.S. Bank, as trustee or 11 indentured trustee, assert any claims against the 12 ResCap debtors in connection with the bankruptcy? 13 MR. KOTWICK: Objection to the form. 14 A. Can you repeat the question? 15 Q. Sure. 16 Did the FGIC trustees, including U.S. Bank, 17 assert any claims against the debtors in connection 18 with the ResCap bankruptcy? 19 MR. KOTWICK: Ms. James, do you mean proofs 20 of claim? 21 MS. JAMES: I mean proofs of claim. 22 MR. KOTWICK: Thank you. 23 A. Yes. 24 Q. Okay. And is it your understanding that 25 those proofs of claim have an aggregate total of</p>
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<p>1 CONFIDENTIAL - M. SCOTT 2 5.41 billion? 3 MR. KOTWICK: Objection to the form. 4 A. It appears that that's what it says here in 5 paragraph 3. 6 Q. Okay. And do you understand that the FGIC 7 settlement agreement releases those claims in 8 varying amounts of up to 5 billion against each of 9 the 51 debtors? 10 MR. KOTWICK: Objection to the form, to the 11 extent you've got an understanding outside of 12 your discussions with counsel. 13 A. I -- I mean, I would need to refer to the 14 settlement agreement to confirm. 15 Q. Okay. Is it your understanding that as 16 part of this agreement the FGIC trustees released 17 some claims of some amount against the debtors' 18 estate? 19 A. By debtor, are you referring to ResCap? 20 Q. I'm referring to ResCap and the ResCap 21 affiliated entities considered debtors in the ResCap 22 bankruptcy. 23 A. Okay. Can you repeat the question? 24 Q. Sure. 25 Is it your understanding that as part of</p>	<p>1 CONFIDENTIAL - M. SCOTT 2 the FGIC settlement agreement, the FGIC trustees 3 released some claims of some amount against the 4 debtors' estate? 5 A. I don't think I have an understanding of 6 that. 7 Q. Okay. Did U.S. Bank perform any analysis 8 of the value of the claims it was asserting against 9 the ResCap estate? 10 MR. KOTWICK: Objection to form. 11 A. For all of the trusts that were impacted 12 for which we are trustee? 13 Q. Uh-huh. 14 A. Yes. 15 Q. Okay. And what value did U.S. Bank place 16 on the claims it was asserting in the ResCap 17 bankruptcy? 18 A. I don't recall. 19 Q. You don't recall. Okay. 20 All right. If you look at paragraph 5 of 21 this 9019 motion, it's on page 3, it reads, 22 "Following the court's appointment as mediator of 23 United States Bankruptcy Judge James M. Peck and 24 months of arm's-length negotiations, the debtors and 25 most of the claimant constituencies reached a broad</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 settlement consisting of a Plan Support Agreement</p> <p>3 (the 'Plan Support Agreement') and Plan Term Sheet</p> <p>4 (the 'Plan Term Sheet'), each dated May 13, 2013,</p> <p>5 and the Supplemental Term Sheet dated May 23, 2013,</p> <p>6 for which the debtors separately seek court</p> <p>7 approval."</p> <p>8 You understand there was a mediation in</p> <p>9 this case?</p> <p>10 A. Yes.</p> <p>11 Q. Were you involved in the mediation?</p> <p>12 A. Yes.</p> <p>13 Q. Okay. What was your involvement in the</p> <p>14 mediation?</p> <p>15 A. I attended meetings. I was regularly</p> <p>16 involved in conversations with counsel about what</p> <p>17 was going on at the mediation.</p> <p>18 Q. Okay. When was the first mediation meeting</p> <p>19 you attended in person?</p> <p>20 A. Are you referring to a mediation session?</p> <p>21 Q. I'm referring to a mediation -- mediation</p> <p>22 session, yes. Sorry.</p> <p>23 MR. KOTWICK: Objection to the form.</p> <p>24 MS. JAMES: Of the question that she</p> <p>25 rephrased or my initial question?</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 MR. KOTWICK: Of both questions. And my</p> <p>3 objection is to what both of you mean by</p> <p>4 "mediation session."</p> <p>5 MS. JAMES: Sure.</p> <p>6 Q. What do you understand a mediation to mean?</p> <p>7 A. I believe there were two in-person lengthy</p> <p>8 sessions in around April and the beginning of May.</p> <p>9 Q. Okay. And you attended those mediation</p> <p>10 sessions in person?</p> <p>11 A. I did not.</p> <p>12 Q. You did not, okay.</p> <p>13 Did you attend any mediation sessions in</p> <p>14 person?</p> <p>15 A. Any mediation related meetings outside of</p> <p>16 those two, I can't recall. I may have when it began</p> <p>17 end of December/early January. I can't remember.</p> <p>18 Q. Okay. And who was at mediation -- who was</p> <p>19 at these mediation related meetings outside of the</p> <p>20 two that you recall occurring in April and early</p> <p>21 May?</p> <p>22 MR. KOTWICK: Objection to the form.</p> <p>23 A. I don't understand.</p> <p>24 Q. You just stated that you attended mediation</p> <p>25 related meetings.</p>
Page 20	Page 21
<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. So the mediation was a lengthy process over</p> <p>3 five months. There could have been an in-person</p> <p>4 meeting early on that I may have attended.</p> <p>5 Outside -- are you asking who would have attended if</p> <p>6 I did not attend?</p> <p>7 Q. Well, let's start -- let's start with the</p> <p>8 meetings early on that you could have attended. Are</p> <p>9 these -- were these meetings meetings in New York?</p> <p>10 A. Yes.</p> <p>11 Q. And did they take place at Kramer Levin?</p> <p>12 A. Yes, they may have.</p> <p>13 Q. Okay. They may have?</p> <p>14 A. I don't want to speculate, so I mean, I</p> <p>15 can -- I just -- I don't know. I don't remember.</p> <p>16 Q. Have you attended meetings at Kramer Levin</p> <p>17 in New York?</p> <p>18 A. Yes.</p> <p>19 Q. And those meetings were in connection, at</p> <p>20 least, with the ResCap bankruptcy?</p> <p>21 A. That's right.</p> <p>22 Q. Okay. Have you also attended meetings at</p> <p>23 Kramer Levin for other reasons?</p> <p>24 A. For reasons other than the ResCap</p> <p>25 bankruptcy? No.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Okay. But you have attended meetings at</p> <p>3 Kramer Levin in connection with the ResCap</p> <p>4 bankruptcy but not in connection with the mediation?</p> <p>5 A. It may have been in connection with the</p> <p>6 mediation.</p> <p>7 Q. May have been in connection with the</p> <p>8 mediation. Is U.S. Bank on the Official Committee</p> <p>9 of Unsecured Creditors?</p> <p>10 A. Yes.</p> <p>11 Q. Okay. Are any other FGIC trustees on that</p> <p>12 committee?</p> <p>13 A. Yes.</p> <p>14 Q. Who?</p> <p>15 A. Bank of New York. I believe that's it.</p> <p>16 Q. Okay. And how many meetings of the</p> <p>17 unsecured creditors' committee have you attended in</p> <p>18 person?</p> <p>19 A. I couldn't say exactly.</p> <p>20 Q. Are they once a month, twice a month?</p> <p>21 A. I believe they are once a month currently.</p> <p>22 Q. Okay. And how about the period -- for the</p> <p>23 period January 2013 through May 2013?</p> <p>24 A. It wouldn't have been more than a couple of</p> <p>25 times.</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Okay. And are those the meetings that you</p> <p>3 are questioning whether they were mediation related</p> <p>4 meetings or simply ResCap bankruptcy related</p> <p>5 meetings?</p> <p>6 A. That's right.</p> <p>7 Q. Okay. And during these meetings, was the</p> <p>8 progress or status of the mediation discussed?</p> <p>9 MR. KAUFMAN: This is Philip Kaufman. I</p> <p>10 object on the grounds that the committee</p> <p>11 deliberations are privileged.</p> <p>12 MR. GREEN: I'm also going to object to the</p> <p>13 extent this is seeking discussions or</p> <p>14 information about mediation and mediation</p> <p>15 negotiations.</p> <p>16 MR. KOTWICK: I'm going to allow the</p> <p>17 witness to answer yes or no to the initial</p> <p>18 question to see if she has any recollection.</p> <p>19 A. And can you repeat the question?</p> <p>20 Q. Sure.</p> <p>21 During these meetings of the Official</p> <p>22 Committee of the Unsecured Creditors was the</p> <p>23 progress or status of the mediation discussed?</p> <p>24 A. I don't recall.</p> <p>25 Q. Okay. Other than your in-person attendance</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 at meetings of the unsecured creditors committee,</p> <p>3 did you attend any in-person meetings that solely</p> <p>4 concerned the mediation?</p> <p>5 MR. KOTWICK: You can answer yes or no.</p> <p>6 A. No.</p> <p>7 Q. No, okay.</p> <p>8 Did anyone else from U.S. Bank attend</p> <p>9 meetings solely regarding the mediation?</p> <p>10 A. Yes.</p> <p>11 Q. And who would that have been?</p> <p>12 A. Laura Moran.</p> <p>13 Q. Laura Moran, who you report to?</p> <p>14 A. I don't report to her.</p> <p>15 Q. I'm sorry. Laura Moran, who is -- who has</p> <p>16 responsibility for the FGIC rehabilitation</p> <p>17 proceedings at U.S. Bank?</p> <p>18 A. That's right.</p> <p>19 Q. Okay. Did you speak with Laura Moran about</p> <p>20 her participation in the meetings concerning the</p> <p>21 progress and status of the mediation?</p> <p>22 A. I did.</p> <p>23 Q. Okay. And what did Ms. Moran tell you</p> <p>24 about that -- those meetings?</p> <p>25 MR. KOTWICK: I object and direct the</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 witness not to answer to the extent that it's</p> <p>3 going to reveal issues and</p> <p>4 discussions/negotiations that occurred within</p> <p>5 the mediation that are covered by the mediation</p> <p>6 order.</p> <p>7 MR. GREEN: And I join in that objection.</p> <p>8 A. I can't respond.</p> <p>9 Q. Okay. You understand that as part of the</p> <p>10 9019 motion that's in front of you describing the</p> <p>11 FGIC settlement agreement that the trustees have</p> <p>12 accepted on behalf of the trusts a lump sum payment</p> <p>13 from FGIC; correct?</p> <p>14 MR. KOTWICK: Objection to the form.</p> <p>15 A. The trustees have entered into a settlement</p> <p>16 agreement with FGIC.</p> <p>17 Q. Okay. And do you have an understanding of</p> <p>18 the provision in that settlement agreement for a</p> <p>19 lump sum payment to be made to the trusts?</p> <p>20 A. I do.</p> <p>21 Q. Okay. What is that lump sum payment</p> <p>22 being -- in connection to?</p> <p>23 A. I'm not sure I follow, what is it in</p> <p>24 connection to?</p> <p>25 Q. Why is FGIC paying -- making a lump sum</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 payment to the trusts?</p> <p>3 MR. GREEN: Objection to the form.</p> <p>4 A. The 253 million will be a payment that is</p> <p>5 paid out to all 47 trusts in connection, I believe,</p> <p>6 with claims asserted by those trusts.</p> <p>7 Q. And is that \$253 million, does that</p> <p>8 \$253 million secure the commutation of the FGIC</p> <p>9 policies wrapping those trusts?</p> <p>10 MR. KOTWICK: Objection to the form.</p> <p>11 A. Can you repeat the question?</p> <p>12 Q. Does that \$253 million secure the</p> <p>13 commutation of the FGIC policies wrapping the 47</p> <p>14 trusts we discussed previously?</p> <p>15 MR. KOTWICK: Same objection.</p> <p>16 A. What do you mean by "secure the</p> <p>17 commutation"?</p> <p>18 Q. In exchange for the \$253.3 million, have</p> <p>19 the trustees agreed to the commutation of the FGIC</p> <p>20 policies wrapping the trusts --</p> <p>21 MR. KOTWICK: Objection to the form.</p> <p>22 Q. -- in question?</p> <p>23 A. I mean that is a piece of the settlement.</p> <p>24 Q. Okay. So the \$253 million secures the</p> <p>25 commutation of the FGIC wrappers on those trusts?</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 MR. KOTWICK: Objection to the form. Asked</p> <p>3 and answered.</p> <p>4 A. That -- yeah, that's a piece of the</p> <p>5 settlement agreement.</p> <p>6 Q. Okay. All right. When was the first time</p> <p>7 that you learned of the possibility of these</p> <p>8 commutations?</p> <p>9 MR. KOTWICK: Objection to the form.</p> <p>10 A. The bank was approached --</p> <p>11 MR. KOTWICK: Can you just -- just answer</p> <p>12 the question. The question was when -- when</p> <p>13 was the first time you learned of the</p> <p>14 possibility of these commutations.</p> <p>15 A. End of March or early April.</p> <p>16 Q. Okay. And how did you learn of the</p> <p>17 possibility of these commutations?</p> <p>18 MR. GREEN: I'm going to object to the</p> <p>19 extent it's seeking information that is covered</p> <p>20 by the mediation privilege.</p> <p>21 MR. KOTWICK: I'm going to allow the</p> <p>22 witness to answer that question in large part</p> <p>23 because it, I believe, is part of the</p> <p>24 declaration that was filed in connection with</p> <p>25 the 9019.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. And can you repeat the question?</p> <p>3 Q. Sure thing.</p> <p>4 How did you learn of the possibility of</p> <p>5 these commutations?</p> <p>6 A. We were approached by the steering</p> <p>7 committee.</p> <p>8 Q. And who -- who is on the steering</p> <p>9 committee?</p> <p>10 A. It's a group of institutional investors</p> <p>11 that are represented by Kathy Patrick.</p> <p>12 Q. And do you have an understanding as to</p> <p>13 which institutional investors are part of the</p> <p>14 steering group?</p> <p>15 A. I do not.</p> <p>16 Q. Okay. Are the institutional investors that</p> <p>17 are part of this steering group holders of FGIC</p> <p>18 wrapped notes or certificates?</p> <p>19 MR. DEVORE: Objection to form.</p> <p>20 This is Andrew Devore.</p> <p>21 MR. KOTWICK: Allow the witness to answer</p> <p>22 yes or no.</p> <p>23 I'm sorry. Can you reread the question?</p> <p>24 MS. JAMES: Would you reread the question?</p> <p>25 (Record was read as requested.)</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 MR. KOTWICK: You can answer the question</p> <p>3 yes or no.</p> <p>4 A. Yes.</p> <p>5 Q. Are the institutional investors on the</p> <p>6 steering group also holders of non-wrapped notes or</p> <p>7 certificates issued by the debtor?</p> <p>8 MR. DEVORE: Objection to form.</p> <p>9 A. Yes.</p> <p>10 Q. Do you have an understanding of the</p> <p>11 percentage ownership of the total universe of FGIC</p> <p>12 wrapped notes or certificates held by those on the</p> <p>13 institutional investors' steering group committee?</p> <p>14 MR. KOTWICK: I'm going to object and</p> <p>15 direct the witness not to answer that question</p> <p>16 to the extent that she might have learned that</p> <p>17 information in the context of the mediation,</p> <p>18 which is subject to mediation order.</p> <p>19 A. No.</p> <p>20 Q. Did you do anything to find out the</p> <p>21 personal ownership held by the steering group of</p> <p>22 FGIC wrapped notes?</p> <p>23 MR. KOTWICK: I'm going to object and</p> <p>24 direct the witness not to answer to the extent</p> <p>25 that any such efforts were made in the context</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 of the mediation.</p> <p>3 A. I can't answer that.</p> <p>4 Q. Is it important for you to know the</p> <p>5 percentage ownership held by the steering group of</p> <p>6 FGIC wrapped notes or certificates?</p> <p>7 MR. KOTWICK: I'm going to object to the</p> <p>8 extent that the witness' knowledge in that</p> <p>9 respect or understanding is the result of any</p> <p>10 discussions with counsel.</p> <p>11 To the extent that you have information</p> <p>12 outside of your conversations with counsel,</p> <p>13 you're free to answer that.</p> <p>14 A. I can't answer the question.</p> <p>15 Q. Okay. Do you have an understanding as to</p> <p>16 why the steering group approached U.S. Bank with a</p> <p>17 offer of commutation?</p> <p>18 MR. DEVORE: Objection to form. Assumes</p> <p>19 facts not in evidence.</p> <p>20 A. No.</p> <p>21 Q. Who on the steering group approached U.S.</p> <p>22 Bank regarding the possible commutations?</p> <p>23 A. I can't recall who it was exactly.</p> <p>24 Q. And at this point did the steering group</p> <p>25 attach a dollar figure to the commutation offer?</p>

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<p>1 CONFIDENTIAL - M. SCOTT 2 MR. KOTWICK: Objection. 3 MR. DEVORE: Objection to form. 4 MR. KOTWICK: Objection to form. To the 5 extent that information was part of the 6 mediation discussion, I'm going to direct the 7 witness not to answer the question on the basis 8 of the mediation order. 9 A. I can't answer the question. 10 Q. Can you turn -- going back to Scott 11 Exhibit 2, which is the 9019 motion, and look to 12 paragraph 5 of that exhibit. It states, "The 13 settlement agreement, while a standalone agreement, 14 represents a critical component of the global plan 15 agreement." 16 What's your understanding of what is meant 17 by "standalone agreement"? 18 MR. KOTWICK: Objection to the extent that 19 the witness, I think, has testified that she 20 had not seen this document before today. 21 MS. JAMES: I don't think that was her 22 testimony, Mark. 23 Q. You saw this document before today? 24 A. I believe I did. I'm not 100 percent sure. 25 MR. KOTWICK: To the extent you have an</p>	<p>1 CONFIDENTIAL - M. SCOTT 2 understanding, you can -- you can testify. 3 A. And can you repeat the question? 4 Q. Sure. 5 In paragraph 5 it states that "The 6 settlement agreement," it's referring to the FGIC 7 settlement agreement, "is a standalone agreement." 8 Do you have an understanding as to what it 9 means by standalone agreement? 10 A. I could speculate what is meant here, which 11 I don't want to do. 12 Q. If you go further down that paragraph it 13 says that "The agreement, along with the global plan 14 agreement, was painstakingly negotiated with Judge 15 Peck's assistance." Does that comment, in your 16 understanding, include the FGIC settlement agreement 17 or is it referring only to the global settlement 18 agreement? 19 MR. KOTWICK: Objection to the form. 20 A. And I can't be certain what the person who 21 drafted this meant. 22 Q. Okay. Will you turn to paragraph 21 of 23 this motion. 24 A. (Witness complies.) 25 Q. The first sentence reads, "Concurrently</p>
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<p>1 CONFIDENTIAL - M. SCOTT 2 with the negotiations leading up to the completion 3 of the supplemental term sheet, the settlement 4 parties negotiated the terms of the settlement 5 involving FGIC and the FGIC trustees that was 6 acceptable to all of the settlement parties and 7 supported by the -- by many of the debtors' claimant 8 constituencies including each of the parties to the 9 global plan agreement." 10 Do you see that? 11 A. I do. 12 Q. Okay. What is meant by "concurrently with 13 the negotiations leading up to the completion of the 14 supplemental term sheet"? 15 MR. KOTWICK: Objection to the form. 16 A. I couldn't speculate as to what it's -- 17 what it means. 18 Q. Okay. And other than the steering group, 19 who you have stated this morning approached U.S. 20 Bank about the commutations, who else was involved 21 in the negotiations that led to the FGIC settlement 22 agreement? 23 MR. DEVORE: Objection to form. 24 A. I don't know. 25 Q. You don't know.</p>	<p>1 CONFIDENTIAL - M. SCOTT 2 When the steering group approached U.S. 3 Bank about the commutations, did they represent any 4 other -- did they represent to you that other 5 parties had been involved in the negotiations? 6 MR. KOTWICK: Objection. 7 MR. DEVORE: Objection to form. Assumes 8 facts not in evidence. 9 MR. KOTWICK: Objection to the extent that 10 any discussions surrounding the proposal that 11 was made are going to be subject to the 12 mediation privilege, and I'm going to direct 13 the witness not to answer with respect to the 14 substance of those discussions. 15 A. Yeah, I couldn't speak to who else was 16 involved. 17 Q. Okay. If you -- if you look at the front 18 of this motion, it discusses the parties that are 19 signing up to this agreement; is that fair? 20 MR. KOTWICK: Emma, are we looking at the 21 first page of the exhibit? 22 MS. JAMES: Yeah, we are looking at page 1 23 of the 9019, which states, in relevant part, 24 that the settlement agreement is among the 25 debtors, FGIC, the FGIC trustees, and the</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 institutional investors.</p> <p>3 Q. Do you see that?</p> <p>4 A. I do.</p> <p>5 Q. Is it your understanding that those parties</p> <p>6 were involved in the negotiation of the FGIC</p> <p>7 settlement agreement?</p> <p>8 A. It's my understanding that those are the</p> <p>9 parties that entered into the settlement agreement.</p> <p>10 Q. Okay. Is it your understanding that all of</p> <p>11 them were involved in the negotiation of the FGIC</p> <p>12 settlement agreement?</p> <p>13 A. I don't know who is involved in the</p> <p>14 negotiation.</p> <p>15 Q. Okay. Was U.S. Bank involved in the</p> <p>16 negotiation of the FGIC settlement agreement?</p> <p>17 A. No.</p> <p>18 Q. It was not involved in the negotiation of</p> <p>19 the settlement agreement?</p> <p>20 A. No.</p> <p>21 Q. When was U.S. Bank first presented with the</p> <p>22 terms of the FGIC settlement agreement?</p> <p>23 A. As I stated, I believe it was the end of</p> <p>24 March or early April.</p> <p>25 Q. And U.S. Bank accepted all of those terms</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 without negotiation?</p> <p>3 MR. KOTWICK: Objection to the form.</p> <p>4 A. We reviewed the terms, vetted the terms,</p> <p>5 engaged a financial advisor to do an analysis.</p> <p>6 Q. But did not negotiate any of the terms in</p> <p>7 the FGIC settlement agreement as presented to you?</p> <p>8 A. We did not.</p> <p>9 Q. Okay. Did the FGIC settlement agreement,</p> <p>10 as presented to U.S. Bank, change from the time it</p> <p>11 was first presented to U.S. Bank through the time it</p> <p>12 was executed?</p> <p>13 MR. KOTWICK: Objection. I'm going to</p> <p>14 direct the witness not to answer to the extent</p> <p>15 that those discussions or any changes, if any,</p> <p>16 would have occurred during the mediation</p> <p>17 process, which is subject to the mediation</p> <p>18 order.</p> <p>19 A. I can't answer the question.</p> <p>20 MS. JAMES: Can we go off the record and</p> <p>21 take a break?</p> <p>22 (Recess taken from 11:43 A.M. to</p> <p>23 11:49 A.M.)</p> <p>24 MS. JAMES: I'm going to hand you the</p> <p>25 exhibit -- I'm sorry. I'm going to hand to the</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 reporter an exhibit to be marked as Exhibit 3,</p> <p>3 which is the proposed order attached to debtors</p> <p>4 9019 motion.</p> <p>5 (Scott Exhibit 3 marked for</p> <p>6 identification.)</p> <p>7 BY MS. JAMES:</p> <p>8 Q. I will give you a moment to take a look at</p> <p>9 that, Ms. Scott.</p> <p>10 A. Okay.</p> <p>11 Q. Have you seen this document before?</p> <p>12 A. Yes.</p> <p>13 Q. Okay. When was the first time you saw this</p> <p>14 document?</p> <p>15 A. I can't recall the exact date.</p> <p>16 Q. Okay. And you understand that this</p> <p>17 document is a proposed order that if the court</p> <p>18 approves the 9019 motion it's being asked to enter?</p> <p>19 A. Yes.</p> <p>20 Q. Okay. And if you look at the second page</p> <p>21 of this proposed order, we see there is a heading</p> <p>22 that says, "Adjudged, found and determined"?</p> <p>23 A. I do.</p> <p>24 Q. And I'd like to draw your attention to</p> <p>25 paragraph C under that heading, which reads, "The</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 settlement agreement and the transactions</p> <p>3 contemplated thereby, including the releases given</p> <p>4 therein, are in the best interests of the debtors,</p> <p>5 their estates, their creditors, the investors in</p> <p>6 each trust, each such trust, the trustees, and all</p> <p>7 other parties in interest."</p> <p>8 Do you see that?</p> <p>9 A. I do.</p> <p>10 Q. Do you believe that statement to be true?</p> <p>11 A. I do.</p> <p>12 Q. Why is the settlement agreement in the best</p> <p>13 interests of the debtors?</p> <p>14 A. So my understanding is that as part of the</p> <p>15 global settlement, the global ResCap settlement that</p> <p>16 is -- parties would consider that to be in their</p> <p>17 best interests as they have signed up to it.</p> <p>18 Q. So your basis for believing that the FGIC</p> <p>19 settlement agreement is in the debtors' best</p> <p>20 interest is that they have signed up to it?</p> <p>21 A. That would be my understanding.</p> <p>22 Q. Okay. How about the statement that "The</p> <p>23 settlement agreement and the transactions</p> <p>24 contemplated thereby, including the releases</p> <p>25 therein, are in the best interests of the trustees,"</p>

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what is your understanding as to why the FGIC settlement agreement is in the best interest of the trustees?

A. I think the trustees and the trusts and the holders, all of that goes hand in hand.

Q. Okay. And why -- why is this agreement in the best interest of the trustees, the trusts and the holders?

A. Well, I would say we are -- we have eight transactions for which we are trustee where we are paying premiums and not seeing any protection or payments by FGIC on claims. When we saw this proposal, we engaged Duff to do the analysis, do a comparison of this proposed settlement versus what was being offered in the rehabilitation plan. Duff, you know, provided insight. They provided feedback that the lump sum payment was within a range of reasonableness. They also highlighted the fact that there is a lot of uncertainty that surrounds what's being offered under the rehabilitation plan. So considering those facts and the facts that these trusts no longer have to pay premiums, we considered that to be in the trusts' best interests.

Along with that, we know that this

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monetary -- what the amounts are? I would have to refer to the schedules.

Q. Okay. And you stated that another reason why it's in the best interest of the trusts is that the trusts would no longer have to pay premiums to FGIC; is that correct?

A. That's correct.

Q. And what value was placed on the -- on the premiums that are now no longer owed, should the settlement agreement go through?

A. I believe that is approximately 18 million.

Q. Okay. And you mentioned that it resolves potential litigation. What do you mean by that?

A. Well, there were objections filed related to the 9019. The committee, MBAA, filed some objections. There could have been potential litigation related to asserting claims for the trusts that were not included in the settlement, the 9019, the additional settlement trusts and the cure claims.

There were also intercreditor issues and litigation related to certain intercreditor issues.

Q. What issues were they?

A. For example, the trustees and the monolines

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settlement, this FGIC settlement, is a part of the larger global ResCap settlement which for various factors we consider that to be in the best interest of the trusts and the holders. You know, there is a large -- a significant increase to the value of the estate because of the larger settlement. Given the AFI contribution, the larger settlement resolves a lot of potential litigation, you know, surrounding the 9019, the RMBS 9019, surrounding the claims for the additional settlement trusts, the cure claims, all of those have been allowed. The global settlement, it does a lot to stop the large accrual of administrative expenses.

So for various reasons we considered that to be in the best interest of holders. And then, you know, finally, these particular trusts, they have the ability -- they have allowed claims now within the ResCap bankruptcy. So several reasons.

Q. Okay. All right. Let's start with the trusts now having allowed claims in the bankruptcy.

What's your understanding as to the value of those allowed claims if the agreement goes through?

A. What's my understanding of the claims'

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may have had the same claims in discussing, you know, subordination, and priority of those claims could have been an issue.

Q. And when you say that the monolines -- the monolines and the trustees may have had the same claims, you are referring to claims made against the ResCap estate?

A. That's correct.

Q. And the settlement agreement releases all of those claims, whether made by the monolines or by the trustees; is that correct?

MR. KOTWICK: Objection to the form.

A. Which settlement agreement?

Q. The FGIC settlement agreement.

A. And can you repeat the -- your question?

Q. The FGIC settlement agreement releases all of those claims, whether made by the monolines or by the trustees; is that correct?

MR. KOTWICK: Objection to the form.

A. I think what I was outlining was provisions under the global ResCap settlement.

Q. Okay. Not the -- not the debtors' motion pursuant to federal rules of bankruptcy 9019 for the approval of the settlement agreement among FGIC, the

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 debtors, the trustees and the institutional</p> <p>3 investors?</p> <p>4 A. No, what I was just outlining had to do</p> <p>5 with the global settlement, the ResCap settlement.</p> <p>6 Q. Okay. But why is the FGIC settlement</p> <p>7 agreement in the best interests of the investors and</p> <p>8 the trusts, each trust, and the trustees?</p> <p>9 MR. KOTWICK: Objection to the form. Asked</p> <p>10 and answered.</p> <p>11 A. Right, I think I went over that as, you</p> <p>12 know, the settlement -- the FGIC settlement itself,</p> <p>13 why that was in the best interest of investors, but</p> <p>14 what I was saying is this is also a piece of a</p> <p>15 larger global settlement which we consider to be in</p> <p>16 the best interest of holders.</p> <p>17 Q. Okay. All right. You mentioned that the</p> <p>18 trustees engaged a financial advisor in connection</p> <p>19 with the FGIC settlement agreement; is that true?</p> <p>20 A. Yes.</p> <p>21 Q. And who was the financial advisor?</p> <p>22 A. Duff & Phelps.</p> <p>23 Q. And Duff & Phelps had previously been doing</p> <p>24 work with the trustees in connection with the</p> <p>25 broader bankruptcy; is that fair?</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. That's right.</p> <p>3 Q. When was Duff & Phelps first asked to</p> <p>4 provide an opinion or perform analysis of the</p> <p>5 FGIC -- of the terms of the FGIC settlement</p> <p>6 proposal?</p> <p>7 A. I don't -- I can't recall.</p> <p>8 Q. Was it in January 2013?</p> <p>9 A. It would have been shortly after we saw the</p> <p>10 proposal come through.</p> <p>11 Q. Okay. And what was Duff & Phelps asked to</p> <p>12 do in connection with the FGIC settlement proposal?</p> <p>13 A. At a very high level, they reviewed -- they</p> <p>14 compared the FGIC settlement to what was being</p> <p>15 offered under the rehabilitation plan.</p> <p>16 Q. In order to perform that analysis, what --</p> <p>17 what information was Duff & Phelps provided?</p> <p>18 MR. KOTWICK: Objection to the form.</p> <p>19 A. I can't speak to that.</p> <p>20 Q. Did you meet with Duff & Phelps in</p> <p>21 connection with the FGIC settlement agreement or</p> <p>22 FGIC settlement proposal?</p> <p>23 A. We did.</p> <p>24 Q. When was the first time you met with Duff &</p> <p>25 Phelps in connection with the FGIC settlement</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 proposal?</p> <p>3 A. I can't recall.</p> <p>4 Q. Was it in March 2013?</p> <p>5 A. Again, I can't -- I can't recall exactly.</p> <p>6 Q. Was that an in-person meeting?</p> <p>7 A. I don't know.</p> <p>8 Q. You don't know, okay.</p> <p>9 What was discussed during that meeting with</p> <p>10 Duff & Phelps?</p> <p>11 A. I believe counsel was involved with any</p> <p>12 meetings with Duff & Phelps.</p> <p>13 Q. But you -- you did meet with Duff & Phelps?</p> <p>14 A. Counsel on behalf of U.S. Bank may have met</p> <p>15 with Duff & Phelps. If you are asking me</p> <p>16 personally, I was -- I attended, you know, the</p> <p>17 presentation that they provided after they did their</p> <p>18 analysis.</p> <p>19 Q. Okay. And did you attend that presentation</p> <p>20 in person?</p> <p>21 A. No, I attended over the phone. They did --</p> <p>22 they did a web presentation.</p> <p>23 Q. Okay. And do you recall the approximate</p> <p>24 date of that telephone call?</p> <p>25 A. I don't. I don't.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Were materials sent out to the participants</p> <p>3 on that telephone call in advance of the call?</p> <p>4 A. I can't recall.</p> <p>5 Q. Duff & Phelps provided a report to the</p> <p>6 trustees in connection with its analysis; correct?</p> <p>7 A. That's right.</p> <p>8 Q. Okay. Did Duff & Phelps provide a draft</p> <p>9 report?</p> <p>10 A. Yes, I believe they did.</p> <p>11 Q. Okay. How many drafts of the Duff & Phelps</p> <p>12 report did you receive?</p> <p>13 A. I can't recall.</p> <p>14 Q. Was the telephone call with Duff & Phelps</p> <p>15 in connection with the Duff & Phelps draft report or</p> <p>16 was it in connection with Duff & Phelps' final</p> <p>17 report to the trustees?</p> <p>18 A. I can't recall.</p> <p>19 Q. Was it just one telephone call?</p> <p>20 A. That's my recollection.</p> <p>21 Q. How long did that call last?</p> <p>22 A. It was well over an hour.</p> <p>23 Q. Well over an hour, okay.</p> <p>24 And what happened during that call? Who</p> <p>25 did the talking?</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I can't remember who did -- well, are you</p> <p>3 asking from Duff? I can't remember who led or -- it</p> <p>4 was a couple of different people.</p> <p>5 Q. Okay. And it was mainly representatives of</p> <p>6 Duff & Phelps speaking on this call?</p> <p>7 A. No. The participants asked questions as</p> <p>8 well.</p> <p>9 Q. And who were the other participants on the</p> <p>10 call other than yourself?</p> <p>11 A. I can't remember specifically. I know</p> <p>12 there were other trustee representatives and counsel</p> <p>13 for the trustees.</p> <p>14 Q. Okay. Was FGIC on this call?</p> <p>15 A. No.</p> <p>16 Q. Was the rehabilitator on this call?</p> <p>17 A. No.</p> <p>18 Q. Was Lazard on this call?</p> <p>19 A. No, not that -- I mean, I don't recall any</p> <p>20 of these people, no.</p> <p>21 Q. Okay. Was there anyone else from the</p> <p>22 Official Committee of the Unsecured Creditors on</p> <p>23 this call?</p> <p>24 A. I don't --</p> <p>25 MR. KOTWICK: Objection to the form. Other</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 than the FGIC trustees who might have been --</p> <p>3 MS. JAMES: That's fair, sorry.</p> <p>4 Q. Other than the other FGIC trustees who were</p> <p>5 also on the UCC, were there any other</p> <p>6 representatives from the unsecured creditors</p> <p>7 committee on the call?</p> <p>8 A. I don't believe so.</p> <p>9 Q. Okay. During this call, did Duff & Phelps</p> <p>10 walk you through their analysis?</p> <p>11 A. They did.</p> <p>12 Q. Okay. And in order to do that did you have</p> <p>13 something in front of you to review?</p> <p>14 A. I mentioned they had a WebEx, so the</p> <p>15 presentation was up online.</p> <p>16 Q. Okay. But you are not sure whether you</p> <p>17 received a copy of what they were walking through in</p> <p>18 advance of the call?</p> <p>19 A. I'm not sure.</p> <p>20 Q. Okay. Did you at some point receive a copy</p> <p>21 of the draft Duff & Phelps report?</p> <p>22 A. Whether it was a draft or final, I can't</p> <p>23 recall.</p> <p>24 Q. Okay. Let's take a look at some of the</p> <p>25 documents that you received.</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 MS. JAMES: Handing to the court reporter</p> <p>3 to mark as Exhibit 4 a document Bates stamped</p> <p>4 USB-MS00068 through 00078.</p> <p>5 (Scott Exhibit 4 marked for</p> <p>6 identification.)</p> <p>7 Q. Ms. Scott, I'll give you a moment to take a</p> <p>8 look at that document.</p> <p>9 A. Okay.</p> <p>10 Q. Do you recognize this document?</p> <p>11 A. Yes.</p> <p>12 Q. Okay. And you'll see on the top of the</p> <p>13 first page it appears to be an e-mail coming from</p> <p>14 alves@sewkis.com to Mamta Scott. I assume that's</p> <p>15 you?</p> <p>16 A. Yes.</p> <p>17 Q. Laura Moran, I think you testified</p> <p>18 previously she was -- she is also in your group and</p> <p>19 is the individual responsible for the FGIC</p> <p>20 rehabilitation side -- rehabilitation proceedings;</p> <p>21 correct?</p> <p>22 A. Yes.</p> <p>23 Q. And also to James Byrnes. Who is James</p> <p>24 Byrnes?</p> <p>25 A. He is also a member of the default group.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. And why was this e-mail sent to him?</p> <p>3 A. He was working on matters related to the</p> <p>4 ResCap bankruptcy for a short period of time.</p> <p>5 Q. Okay. When did Mr. Byrnes start working on</p> <p>6 the ResCap bankruptcy?</p> <p>7 A. Probably mid-January through the end of</p> <p>8 April of this year.</p> <p>9 Q. And were you working on the ResCap</p> <p>10 bankruptcy with Mr. Byrnes during that period,</p> <p>11 January through the end of April of this year?</p> <p>12 A. I was not.</p> <p>13 Q. You were not, okay.</p> <p>14 Why did you stop working on the ResCap</p> <p>15 bankruptcy during that period?</p> <p>16 A. I was on maternity leave.</p> <p>17 Q. Okay. And have you spoken with Mr. Byrnes</p> <p>18 in connection with your preparation for this</p> <p>19 deposition today?</p> <p>20 A. No.</p> <p>21 Q. Do you know if Mr. Byrnes attended any</p> <p>22 meetings in connection with the FGIC proposal?</p> <p>23 A. I don't believe he did. I can't say for</p> <p>24 sure.</p> <p>25 Q. Okay. And you see that most of this e-mail</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 is redacted.</p> <p>3 MR. KOTWICK: Objection to the form.</p> <p>4 Q. Attached to this e-mail, and starting on</p> <p>5 page Bates stamped USB-MS00071 appears to be a</p> <p>6 report from Duff & Phelps.</p> <p>7 What's your understanding as to what this</p> <p>8 report is?</p> <p>9 A. My understanding is that this is Duff &</p> <p>10 Phelps' analysis of the comparison they did of the</p> <p>11 FGIC settlement versus what was being offered in the</p> <p>12 rehabilitation plan.</p> <p>13 Q. Okay. And you see on the first page there</p> <p>14 it says, "Draft." Is this the draft report that you</p> <p>15 believe that you were sent?</p> <p>16 A. It appears this -- yeah, this is the report</p> <p>17 that was sent to me.</p> <p>18 Q. Okay. And when you received this report,</p> <p>19 did you review it?</p> <p>20 A. I'm sure I did. I can't recall for sure.</p> <p>21 Q. Okay. And do you know if Mr. Byrnes</p> <p>22 reviewed it?</p> <p>23 A. I couldn't speak for him.</p> <p>24 Q. Okay. And what about Ms. Moran?</p> <p>25 A. I also could not speak for her.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Okay. Did you speak with Ms. Moran or</p> <p>3 Mr. Byrnes about the contents of this draft report?</p> <p>4 A. I do not believe I did.</p> <p>5 Q. Okay. In connection with the FGIC</p> <p>6 settlement agreement, you signed that on behalf of</p> <p>7 U.S. Bank; is that correct?</p> <p>8 A. I did.</p> <p>9 Q. Okay. Whose permission did you need to</p> <p>10 secure within U.S. Bank before you were able to sign</p> <p>11 that agreement?</p> <p>12 MR. KOTWICK: Objection to the form.</p> <p>13 A. I'm a vice president of the bank. I'm an</p> <p>14 authorized signer. I'm able to sign on behalf of</p> <p>15 the bank, and I, you know, I vetted the terms of the</p> <p>16 agreement with my manager, his manager, some</p> <p>17 business line folks, so...</p> <p>18 Q. Okay. And who were those people?</p> <p>19 A. I believe I gave you my manager's name</p> <p>20 already, Tim Pillar. His manager, do you need the</p> <p>21 name?</p> <p>22 Q. Yes, please.</p> <p>23 A. Scott Strodhoff, S-t-r-o-d-h-o-f-f, and</p> <p>24 Diane Reynolds.</p> <p>25 Q. And who is Diane Reynolds?</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. She is a manager in the -- I would say a</p> <p>3 manager of the account managers who work on the</p> <p>4 various RMBS transactions.</p> <p>5 Q. Okay. And when you say that you vetted the</p> <p>6 terms of the agreement with Mr. Pillar,</p> <p>7 Mr. Strodhoff and Ms. Reynolds, what do you mean by</p> <p>8 that?</p> <p>9 A. Well, I brought up the proposed settlement</p> <p>10 agreement on a group call, you know, outlined the</p> <p>11 terms of the agreement, walked them through, you</p> <p>12 know, Duff's analysis and kind of our internal</p> <p>13 process to see if there, you know, was any feedback</p> <p>14 or any issues. That's pretty much the extent of it.</p> <p>15 Q. Okay. And when you say that you brought up</p> <p>16 the proposed settlement agreement on a group call,</p> <p>17 did you send them -- did you send Mr. Pillar,</p> <p>18 Mr. Strodhoff, and Ms. Reynolds the Duff & Phelps</p> <p>19 analysis before that call?</p> <p>20 MR. KOTWICK: Objection to the form.</p> <p>21 A. No.</p> <p>22 Q. Did you send it to them at any time?</p> <p>23 A. No.</p> <p>24 Q. So on this call you simply gave a summary</p> <p>25 of Duff & Phelps' analysis?</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. That's right.</p> <p>3 Q. Okay. Did Mr. Pillar, Mr. Strodhoff, or</p> <p>4 Ms. Reynolds raise any questions about the terms of</p> <p>5 the proposed settlement agreement?</p> <p>6 MR. KOTWICK: Objection to the form.</p> <p>7 A. Can you repeat the question?</p> <p>8 (Record was read as requested.)</p> <p>9 A. No.</p> <p>10 Q. Did they have any concerns about the</p> <p>11 proposed settlement agreement?</p> <p>12 MR. KOTWICK: Objection to the form.</p> <p>13 A. No.</p> <p>14 Q. Did they have any concerns about the Duff &</p> <p>15 Phelps analysis as you described it?</p> <p>16 MR. KOTWICK: Objection to the form.</p> <p>17 A. No.</p> <p>18 Q. Did any of them have a different opinion as</p> <p>19 to the adequacy of the FGIC settlement agreement</p> <p>20 than the opinion you expressed during that call?</p> <p>21 MR. KOTWICK: Objection to the form.</p> <p>22 A. I don't think I expressed an opinion. I</p> <p>23 was laying out the facts.</p> <p>24 Q. Okay. During that call did you -- did you</p> <p>25 state that you intended to sign the FGIC settlement</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 agreement on behalf of the bank?</p> <p>3 A. No.</p> <p>4 Q. When did you inform Mr. Pillar,</p> <p>5 Mr. Strodhoff, and Ms. Reynolds that you intended to</p> <p>6 enter into the FGIC settlement agreement on behalf</p> <p>7 of U.S. Bank?</p> <p>8 MR. KOTWICK: Objection to the form.</p> <p>9 A. I can't remember exactly when. It was</p> <p>10 very, very close to actually executing the</p> <p>11 agreement.</p> <p>12 Q. Okay. And that agreement was executed on</p> <p>13 May 23rd, 2013; is that correct?</p> <p>14 A. That's my recollection. I would need to</p> <p>15 confirm the date on the agreement.</p> <p>16 Q. Okay. And when you informed them that you</p> <p>17 were going to enter into the agreement, did any of</p> <p>18 them raise any concerns?</p> <p>19 MR. KOTWICK: Objection to the form.</p> <p>20 A. No.</p> <p>21 Q. Did any of them at any time receive a copy</p> <p>22 of the Duff & Phelps analysis?</p> <p>23 A. No.</p> <p>24 MR. KOTWICK: Objection to the form.</p> <p>25 Q. Did you have any e-mail communications with</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 any of them regarding the FGIC settlement agreement</p> <p>3 or the Duff & Phelps analysis?</p> <p>4 MR. KOTWICK: Objection to the form.</p> <p>5 A. No.</p> <p>6 Q. You didn't e-mail them to tell them that</p> <p>7 the FGIC settlement agreement had been executed?</p> <p>8 A. Everything -- I find it easier to call</p> <p>9 people, quicker, and you can answer questions</p> <p>10 easier.</p> <p>11 Q. Okay. What about when the FGIC settlement</p> <p>12 agreement was entered into, did you send them a copy</p> <p>13 of the executed agreement?</p> <p>14 A. No.</p> <p>15 Q. Did you send anyone at the bank a copy of</p> <p>16 the executed agreement?</p> <p>17 A. I can't recall. Yeah, I can't recall.</p> <p>18 Q. Would it be your usual practice when you</p> <p>19 enter into an agreement on behalf of the bank, of</p> <p>20 U.S. Bank, to send that agreement around within the</p> <p>21 bank to those who needed to be informed?</p> <p>22 A. That's -- yeah, that would be -- but, I</p> <p>23 mean, I was handling the issue.</p> <p>24 Q. Okay. And your superiors don't need to be</p> <p>25 kept informed about agreements that you sign on</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 behalf of U.S. Bank?</p> <p>3 MR. KOTWICK: Objection to the form.</p> <p>4 A. I think I just mentioned that I did keep</p> <p>5 them informed.</p> <p>6 Q. Okay. But they never requested to see a</p> <p>7 copy of the agreement you entered into on behalf of</p> <p>8 the bank?</p> <p>9 A. No.</p> <p>10 Q. All right. Let's turn back to Exhibit 4,</p> <p>11 which attaches the draft Duff & Phelps analysis.</p> <p>12 And I'm looking now at the page Bates stamped 00072.</p> <p>13 The first sentence on that page reads, "In late</p> <p>14 March FGIC delivered a commutation proposal</p> <p>15 (Proposal) to the Steering Committee Group of RMBS</p> <p>16 holders for ResCap related trusts to provide global</p> <p>17 resolution regarding the pending RMBS litigation."</p> <p>18 Do you see that?</p> <p>19 A. I do.</p> <p>20 Q. Is it your understanding that this proposal</p> <p>21 was delivered to the steering committee by FGIC?</p> <p>22 A. I mean, according to what that statement</p> <p>23 says, that would be my understanding.</p> <p>24 Q. Okay. And do you have an understanding as</p> <p>25 to how Duff & Phelps learned of this information?</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I would -- I mean, I would speculate here</p> <p>3 that when we found out about it, we -- I mean,</p> <p>4 they're our financial advisor, that we approached</p> <p>5 them to do the analysis.</p> <p>6 Q. Okay. And who approached them to do the</p> <p>7 analysis?</p> <p>8 A. I couldn't say.</p> <p>9 Q. Have you read the FGIC rehabilitation plans</p> <p>10 referred to in the first bullet point on this page?</p> <p>11 A. No.</p> <p>12 Q. You haven't?</p> <p>13 A. No.</p> <p>14 Q. Has anyone at U.S. Bank read the FGIC</p> <p>15 rehabilitation plans?</p> <p>16 MR. KOTWICK: Object as outside the scope</p> <p>17 of the 30(b)(6).</p> <p>18 A. I don't know.</p> <p>19 Q. About two thirds of the way down the page</p> <p>20 is a statement, "In the revised base case scenario,</p> <p>21 the policyholders would receive a recovery of</p> <p>22 28.5 percent on their claim based on a net present</p> <p>23 value of the distributions discounted at an</p> <p>24 illustrative rate of 15 percent."</p> <p>25 Do you see that?</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I do.</p> <p>3 Q. What's your understanding of what that</p> <p>4 means?</p> <p>5 A. You know, as I sit here today, I don't have</p> <p>6 an understanding. At the time I'm sure Duff would</p> <p>7 have covered this information, and I would have</p> <p>8 known.</p> <p>9 Q. Do you have an understanding that under the</p> <p>10 FGIC rehabilitation plan policyholders were expected</p> <p>11 to receive a recovery, if it was reviewed, with a</p> <p>12 15 percent discount rate of 28.5 percent on their</p> <p>13 claim?</p> <p>14 MR. DEVORE: Objection to form.</p> <p>15 A. And can you repeat the question?</p> <p>16 Q. Do you have an understanding, or do you</p> <p>17 understand that under the FGIC rehabilitation plan</p> <p>18 the policyholders were projected to receive a</p> <p>19 recovery with -- using a 15 percent discount rate of</p> <p>20 28.5 percent on their claims?</p> <p>21 MR. KOTWICK: Objection to form.</p> <p>22 A. I may have had an understanding of that --</p> <p>23 of that during the presentation.</p> <p>24 Q. Okay. Do you know what Duff & Phelps</p> <p>25 reviewed in order to reach this, the conclusions</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 contained in this report?</p> <p>3 A. Specifically I don't know what they</p> <p>4 reviewed.</p> <p>5 Q. Generally?</p> <p>6 A. Materials provided by Lazard, but other</p> <p>7 than that, I don't know what else they would have</p> <p>8 reviewed.</p> <p>9 Q. Okay. And what was Lazard's role in this?</p> <p>10 A. I don't know.</p> <p>11 Q. Why was Lazard providing Duff & Phelps with</p> <p>12 materials?</p> <p>13 A. I believe they work on the FGIC</p> <p>14 rehabilitation. In what capacity -- I knew at one</p> <p>15 point -- I don't know right now.</p> <p>16 Q. Okay. All right. If we look at page 3 of</p> <p>17 this draft report, it's Bates stamped 73, and the</p> <p>18 heading there is "FGIC proposal commutation and</p> <p>19 claim."</p> <p>20 It says, "The proposal outlines a cash</p> <p>21 payment of approximately 253 million by FGIC upon</p> <p>22 emergence in exchange for the ability for FGIC to</p> <p>23 assert approximately 597 million of allowed claims</p> <p>24 at ResCap."</p> <p>25 Do you see that?</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I do.</p> <p>3 Q. And then there is an analysis of -- there</p> <p>4 appears to be an analysis of this proposal. Is that</p> <p>5 a fair characterization of the right-hand side of</p> <p>6 this page?</p> <p>7 MR. KOTWICK: Objection to the form.</p> <p>8 A. Can you repeat what --</p> <p>9 Q. Sure. It was a bad question. I will</p> <p>10 rephrase.</p> <p>11 On the left-hand side there is a bullet</p> <p>12 point that starts, "The following proposal is based</p> <p>13 on the following three main assumptions," and there</p> <p>14 is, "A. Initial cash payment percentage of</p> <p>15 17.25 percent based on the updated stress scenario</p> <p>16 pursuant to the plan."</p> <p>17 What's your understanding as to what that</p> <p>18 means?</p> <p>19 A. I mean, again, as I sit here today, I</p> <p>20 don't -- I couldn't speak to my understanding. At</p> <p>21 the time, as they were going through it, I'm sure I</p> <p>22 would have been able to speak to that.</p> <p>23 Q. Okay. And you have testified here this</p> <p>24 morning that the Duff & Phelps analysis compares</p> <p>25 recoveries under the FGIC rehabilitation plan to the</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 FGIC proposal; is that fair?</p> <p>3 A. Yes, I believe so.</p> <p>4 Q. Okay. And this -- this bullet point that</p> <p>5 we just looked at is speaking of an initial cash</p> <p>6 payment percentage of 17.25 percent based on the</p> <p>7 updated stress scenario pursuant to the plan. What</p> <p>8 plan do you understand is being referred to here?</p> <p>9 A. I would assume what was being offered under</p> <p>10 the plan of rehabilitation.</p> <p>11 Q. Okay. And you understand that under the</p> <p>12 plan of rehabilitation, policyholders would receive</p> <p>13 an initial cash payment percentage of 72 -- of</p> <p>14 17.25 percent of their claims?</p> <p>15 MR. KOTWICK: Objection to the form.</p> <p>16 A. That's what it appears to be saying here.</p> <p>17 Q. Okay. And if you look at point B here,</p> <p>18 "The base case payout to policyholders of</p> <p>19 28.5 percent based on the updated base case scenario</p> <p>20 pursuant to the plan, assuming a 15 percent discount</p> <p>21 rate."</p> <p>22 Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. Okay. What's your understanding as to what</p> <p>25 that means?</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I mean, again, I don't -- I couldn't speak</p> <p>3 to that right now, but during the presentation I</p> <p>4 would have had a better understanding.</p> <p>5 Q. Did you review this document in preparation</p> <p>6 for this deposition?</p> <p>7 A. I did.</p> <p>8 Q. You did, okay.</p> <p>9 Did you review any other documents</p> <p>10 referring to the FGIC rehabilitation plan?</p> <p>11 MR. KOTWICK: Objection to the form.</p> <p>12 A. Can you repeat that?</p> <p>13 Q. Did you review any other documents</p> <p>14 referring to the potential recoveries under the FGIC</p> <p>15 rehabilitation plan, which is referred to obviously</p> <p>16 in this document?</p> <p>17 A. No.</p> <p>18 Q. You did not, okay.</p> <p>19 You understand that the projections under</p> <p>20 the FGIC rehabilitation plan, as described by Duff</p> <p>21 in this report, project a 28.5 percent recovery if a</p> <p>22 15 percent discount rate is used; is that fair?</p> <p>23 MR. KOTWICK: Objection to the form.</p> <p>24 A. I mean, I can just confirm what is written</p> <p>25 here.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Does a 15 percent discount rate strike you</p> <p>3 as high?</p> <p>4 MR. KOTWICK: Objection to the form.</p> <p>5 A. I couldn't speak to that.</p> <p>6 Q. Okay. How are discount rates usually</p> <p>7 determined?</p> <p>8 A. I also couldn't speak to that.</p> <p>9 Q. What's your educational background,</p> <p>10 Ms. Scott?</p> <p>11 A. I went to the University of Chicago and</p> <p>12 graduated with a bachelor's in economics.</p> <p>13 Q. Do you have any graduate qualifications?</p> <p>14 A. I don't.</p> <p>15 Q. When you were going through this report</p> <p>16 with Duff & Phelps, did you have an understanding as</p> <p>17 to what the term "discount rate" referred to?</p> <p>18 A. As we were going through the presentation,</p> <p>19 I may have had a better understanding as they</p> <p>20 described "discount rate." I couldn't speak to it</p> <p>21 right now.</p> <p>22 Q. So sitting here today, you don't understand</p> <p>23 the term "discount rate"?</p> <p>24 MR. KOTWICK: Objection to the form.</p> <p>25 A. Not enough to speak to it.</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Not enough to speak to it, okay.</p> <p>3 And you don't know, therefore, if you don't</p> <p>4 know enough to speak to the term "discount rate" how</p> <p>5 discount rates are determined in general?</p> <p>6 A. That's right.</p> <p>7 Q. Let's go to point -- let's go to J, beside</p> <p>8 it, it's the next point on this list and it refers</p> <p>9 to a haircut or 40 percent on unpaid payout claim</p> <p>10 estimates. Do you have an understanding as to what</p> <p>11 that refers to?</p> <p>12 A. As I sit here today, I don't. During the</p> <p>13 presentation, I would have.</p> <p>14 Q. Okay. Do you recall anyone asking any</p> <p>15 questions as to the 40 percent haircut on unpaid</p> <p>16 payout claim estimates?</p> <p>17 A. I can't recall.</p> <p>18 Q. Okay. Do you know what a haircut refers</p> <p>19 to --</p> <p>20 MR. KOTWICK: Objection.</p> <p>21 Q. -- in this context?</p> <p>22 A. You know, the same thing, not enough to</p> <p>23 speak to it.</p> <p>24 Q. Okay. Looking at the figures on the right</p> <p>25 there, does it -- is it fair to say that the</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 40 percent haircut identified by the letter J causes</p> <p>3 the total amount of the cash commutation paid by</p> <p>4 FGIC to reduce, to become smaller?</p> <p>5 MR. KOTWICK: Objection to the form.</p> <p>6 A. Can you repeat that?</p> <p>7 Q. Looking at the figures on the right of this</p> <p>8 page, is it fair to say that the 40 percent haircut,</p> <p>9 and that's identified by the letter J in the</p> <p>10 parenthetical on the left-hand side, causes the</p> <p>11 total amount of the cash commutation to be paid by</p> <p>12 FGIC to become smaller?</p> <p>13 MR. KOTWICK: Objection to the form.</p> <p>14 A. Again, I couldn't speak to it.</p> <p>15 Q. Okay. If you look at the next page of this</p> <p>16 exhibit, Bates stamped 74, there is a heading that</p> <p>17 says "FGIC Plan of Rehabilitation Summary." I will</p> <p>18 give you a moment to read through that.</p> <p>19 MR. KOTWICK: Would you like her to read</p> <p>20 the entire page or any particular part?</p> <p>21 MS. JAMES: It's pretty short, so if she</p> <p>22 wants to read the page, it might help refresh</p> <p>23 her recollection.</p> <p>24 THE WITNESS: Okay.</p> <p>25 Q. Okay. Does that refresh your recollection</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 as to the terms of the FGIC rehabilitation plan?</p> <p>3 MR. KOTWICK: Objection to the form.</p> <p>4 A. Can you repeat that?</p> <p>5 Q. Does this page refresh your recollection as</p> <p>6 to the terms of the FGIC rehabilitation plan?</p> <p>7 MR. KOTWICK: Objection to the form.</p> <p>8 A. I mean, it covers the plan as described by</p> <p>9 Duff & Phelps.</p> <p>10 Q. Okay. Did you independently verify that</p> <p>11 the plan as described by Duff & Phelps was, in fact,</p> <p>12 the plan that had been described in the context of</p> <p>13 the FGIC rehabilitation proceedings?</p> <p>14 A. I did not.</p> <p>15 Q. Okay. And you -- I take it, therefore, you</p> <p>16 did not go and look at any filings made in the FGIC</p> <p>17 rehabilitation proceedings to confirm?</p> <p>18 A. That's correct.</p> <p>19 Q. All right. Here there is a heading, "Base</p> <p>20 Scenario" and a heading "Stress Scenario." What was</p> <p>21 your understanding or what is your understanding of</p> <p>22 those terms in the context of the FGIC plan of</p> <p>23 rehabilitation?</p> <p>24 MR. KOTWICK: Objection to the form.</p> <p>25 A. My understanding, I mean, just based off of</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 what is summarized here, is one scenario is</p> <p>3 expectations based off of kind of the status quo and</p> <p>4 one scenario is based off of stresses to the</p> <p>5 economy.</p> <p>6 Q. Okay. And was there an upside scenario</p> <p>7 discussed during the Duff & Phelps call?</p> <p>8 MR. KOTWICK: Objection to the form.</p> <p>9 A. I believe so.</p> <p>10 Q. And do you recall what the conclusion of</p> <p>11 Duff & Phelps was as to the potential recoveries</p> <p>12 under this upside scenario that was discussed?</p> <p>13 MR. KOTWICK: Objection to the form.</p> <p>14 A. I don't recall.</p> <p>15 Q. Have you reviewed analyses such as these in</p> <p>16 connection with other work you've performed for U.S.</p> <p>17 Bank as trustee?</p> <p>18 MR. KOTWICK: Objection to the form.</p> <p>19 A. Can you repeat the question?</p> <p>20 Q. Have you reviewed analyses such as these,</p> <p>21 you know, projecting recoveries under some sort of</p> <p>22 plan, in connection with other work you've performed</p> <p>23 for U.S. Bank as trustee or indenture trustee?</p> <p>24 MR. KOTWICK: Objection to the form.</p> <p>25 A. No.</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. No, okay.</p> <p>3 Was it surprising to you here that there</p> <p>4 was a base scenario, which you described as a status</p> <p>5 quo scenario, and a stress scenario but no upside</p> <p>6 scenario?</p> <p>7 A. Was it surprising to me? I don't know what</p> <p>8 that means.</p> <p>9 Q. Would you expect that if there is a status</p> <p>10 quo scenario and a stress scenario, that there would</p> <p>11 likely also be a scenario that captured improving</p> <p>12 economic conditions?</p> <p>13 MR. KOTWICK: Objection to the form.</p> <p>14 A. I couldn't speak to that. I would expect</p> <p>15 our financial advisors to highlight the relevant</p> <p>16 information.</p> <p>17 Q. Okay. And you don't understand --</p> <p>18 you -- strike that.</p> <p>19 Do you have an understanding as to whether</p> <p>20 Lazard performed an analysis of an upside scenario?</p> <p>21 MR. KOTWICK: To be clear --</p> <p>22 MS. JAMES: Lazard.</p> <p>23 MR. KOTWICK: -- you said Lazard, okay.</p> <p>24 A. I don't know.</p> <p>25 Q. If you go to the next page, which has the</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 heading "FGIC Plan of Rehabilitation, Base versus</p> <p>3 Stress Scenario."</p> <p>4 Do you see that?</p> <p>5 A. Yes.</p> <p>6 Q. And there is two dark boxes on this page,</p> <p>7 one described as "All FGIC Policyholders, Lazard</p> <p>8 Affidavit," and the next box reads "Claims for</p> <p>9 Policyholders of ResCap related RMBS Trusts Per</p> <p>10 D & P Estimates."</p> <p>11 Do you see that?</p> <p>12 A. I do.</p> <p>13 Q. What's your understanding of the difference</p> <p>14 between box one and box two?</p> <p>15 MR. KOTWICK: Just so I'm understanding,</p> <p>16 when you say dark -- I've got a copy, so I'm</p> <p>17 just trying to understand. The dark boxes you</p> <p>18 are referring to are the square boxes in the</p> <p>19 lower run of numbers?</p> <p>20 MS. JAMES: No, it's the boxes I read out.</p> <p>21 MR. KOTWICK: Oh, okay, the dark boxes on</p> <p>22 the left-hand side.</p> <p>23 MS. JAMES: Yeah, sorry.</p> <p>24 MR. KOTWICK: Okay. I'm sorry.</p> <p>25 Object to the form.</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I mean, my understanding is how it's</p> <p>3 represented here on the page. So one section</p> <p>4 discusses all FGIC policyholders and it appears to</p> <p>5 discuss their claims, and then the second box</p> <p>6 discusses claims for policyholders of ResCap related</p> <p>7 RMBS trusts per Duff & Phelps estimates.</p> <p>8 Q. Okay. And do you have an understanding as</p> <p>9 to how Duff & Phelps arrived at their estimate?</p> <p>10 A. I can't speak to that now. I may have at</p> <p>11 the time.</p> <p>12 Q. Did anyone on the call that you referred to</p> <p>13 earlier ask how Duff arrived at these estimates?</p> <p>14 A. There may have been questions. I can't</p> <p>15 recall.</p> <p>16 Q. And in the second half of the page where</p> <p>17 there are the Duff estimates, there is a heading</p> <p>18 "Low Case" and a heading "High Case."</p> <p>19 Do you have an understanding as to the</p> <p>20 difference -- or what the -- what "Low Case" refers</p> <p>21 to?</p> <p>22 A. As I sit here today, no, I don't. I may</p> <p>23 have at the time.</p> <p>24 Q. Okay. And how about "High Case"?</p> <p>25 A. Same.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. If you go to the next page, you can see</p> <p>3 again there is "Low Case" and "High Case." I ask</p> <p>4 you to take a look and see if your recollection is</p> <p>5 refreshed as to what these terms mean?</p> <p>6 A. It doesn't appear that those are defined</p> <p>7 here on the page. So, again, they may have</p> <p>8 discussed it during the presentation, but I couldn't</p> <p>9 speak to it right now.</p> <p>10 Q. Okay. You see the top of that page, it</p> <p>11 says, "Under the base scenario the ResCap RMBS trust</p> <p>12 policyholders may receive approximately 200 million</p> <p>13 to 320 million on a net present value basis."</p> <p>14 Do you see that? Do you have an</p> <p>15 understanding as to how those numbers were reached?</p> <p>16 A. I can't recall.</p> <p>17 Q. Okay. If you look down on this page, you</p> <p>18 can see there are boxes containing projections under</p> <p>19 a heading of "Total Recovery Applied at Different</p> <p>20 Discount Rates." And you will see the \$200 million</p> <p>21 figure appears under the heading "Low Case," using a</p> <p>22 discounted cash flow of 20 percent?</p> <p>23 A. Okay.</p> <p>24 Q. You have already stated that you don't</p> <p>25 understand what "Discount Rate" means. So -- is</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 that fair?</p> <p>3 MR. KOTWICK: Objection to the form.</p> <p>4 A. In this context, I wouldn't.</p> <p>5 Q. Okay. So I take it you have no opinion as</p> <p>6 to the application of a 20 percent discount rate</p> <p>7 under this analysis?</p> <p>8 A. That's right.</p> <p>9 Q. And did you have an opinion at the time of</p> <p>10 the Duff & Phelps telephone call?</p> <p>11 A. Did I have an opinion of what?</p> <p>12 Q. The use of a 20 percent discount rate?</p> <p>13 A. In what context?</p> <p>14 Q. In the context of the Duff & Phelps call,</p> <p>15 did you have an opinion as to the use of a</p> <p>16 20 percent discount rate?</p> <p>17 A. I guess related to this page, I may have</p> <p>18 had an opinion as they were walking through their</p> <p>19 analysis.</p> <p>20 Q. Okay. All right. If you go to the last</p> <p>21 page of this document, there is a heading "Next</p> <p>22 Steps and Follow-up Questions."</p> <p>23 Do you see that?</p> <p>24 A. I do.</p> <p>25 Q. It says, "Prior to the confirmation hearing</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 currently set for June 11, 2013, additional</p> <p>3 follow-up discussions on the commutation proposal</p> <p>4 will likely be centered around the following key</p> <p>5 issues," and then there are seven issues.</p> <p>6 One of those issues is, "Effect of unpaid</p> <p>7 payout assumption of 60 percent included in the</p> <p>8 proposal."</p> <p>9 Do you have an understanding as to what</p> <p>10 that means?</p> <p>11 A. As I sit here today, I don't. At the time</p> <p>12 I may have had an understanding.</p> <p>13 Q. Okay. Do you know what's meant generally</p> <p>14 by the heading here, "Next Steps and Follow-up</p> <p>15 Questions"?</p> <p>16 A. Do I know what that means?</p> <p>17 Q. Why was this page included, do you know?</p> <p>18 A. I can't remember.</p> <p>19 Q. Okay. Who -- who was going to be asking</p> <p>20 these follow-up questions?</p> <p>21 A. I don't know.</p> <p>22 Q. Was Duff & Phelps -- did Duff & Phelps make</p> <p>23 any statements on the call as to why follow-up</p> <p>24 questions had been included in their draft</p> <p>25 presentation?</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I can't remember.</p> <p>3 Q. Did Duff & Phelps say anything about having</p> <p>4 to follow up with Lazard on some of the assumptions</p> <p>5 included in the FGIC proposal?</p> <p>6 A. They may have, but I can't remember for</p> <p>7 sure.</p> <p>8 Q. Okay. Was it your understanding that Duff</p> <p>9 was in dialogue with Lazard as to the -- as to the</p> <p>10 FGIC proposal?</p> <p>11 A. Yeah, I think that's fair.</p> <p>12 Q. And was it your understanding that Lazard</p> <p>13 was providing any answers to questions Duff & Phelps</p> <p>14 may have had about their proposal?</p> <p>15 MR. GREEN: I'd like to object to the</p> <p>16 extent that is asking for information that's</p> <p>17 covered by the mediation privilege and the</p> <p>18 order from the court.</p> <p>19 A. And can you repeat the question?</p> <p>20 Q. Sure.</p> <p>21 Was it your understanding that Lazard was</p> <p>22 providing answers to questions Duff & Phelps may</p> <p>23 have had about the FGIC proposal?</p> <p>24 A. I don't have an understanding as far as the</p> <p>25 communications went between the two parties.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Okay. And was it your understanding that</p> <p>3 FGIC was providing answers to any questions Duff &</p> <p>4 Phelps may have had about the FGIC proposal?</p> <p>5 A. I don't know that.</p> <p>6 Q. Okay. There is a final bullet point on</p> <p>7 this page, "Timing of commutation related to overall</p> <p>8 FGIC rehabilitation proceeding."</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. Do you have an understanding as to what</p> <p>12 was -- what was being referred to in that bullet</p> <p>13 point?</p> <p>14 A. I can't recall.</p> <p>15 MS. JAMES: Okay. Can we take a break?</p> <p>16 (Lunch recess taken from 12:42 P.M. to</p> <p>17 1:29 P.M.)</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 AFTERNOON SESSION</p> <p>3 (Time noted: 1:29 P.M.)</p> <p>4 M A M T A S C O T T,</p> <p>5 resumed and testified as follows:</p> <p>6 CONTINUED EXAMINATION</p> <p>7 BY MS. JAMES:</p> <p>8 Q. Ms. Scott, you said before that U.S. Bank</p> <p>9 has eight FGIC wrapped trusts that are part of the</p> <p>10 FGIC settlement agreement; is that correct?</p> <p>11 A. That's correct.</p> <p>12 Q. Did U.S. Bank determine or has U.S. Bank</p> <p>13 determined whether or not there has been an event of</p> <p>14 default for any of these trusts?</p> <p>15 A. No.</p> <p>16 Q. Hasn't determined whether or not there has</p> <p>17 been an event of default?</p> <p>18 A. That's correct.</p> <p>19 Q. And you are not aware of any analysis being</p> <p>20 done to determine whether or not an event of default</p> <p>21 has occurred under any of the trusts?</p> <p>22 MR. KOTWICK: Objection. To -- to the</p> <p>23 extent you can answer that without revealing</p> <p>24 any discussions of counsel, you should -- you</p> <p>25 should answer the question.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. No.</p> <p>3 Q. You are not aware of any analysis being</p> <p>4 performed?</p> <p>5 A. That's right.</p> <p>6 Q. Do you understand the duties that the</p> <p>7 trustees owed to the noteholders or certificate</p> <p>8 holders under the trusts?</p> <p>9 MR. KOTWICK: Objection to form.</p> <p>10 A. Specifically, I would have to look at the</p> <p>11 transaction documents.</p> <p>12 Q. Okay. Is there -- do the trustees owe</p> <p>13 fiduciary duties to the certificate holders or</p> <p>14 noteholders under the trusts?</p> <p>15 MR. KOTWICK: Objection to form. Calls for</p> <p>16 a legal conclusion.</p> <p>17 A. I'm not sure what you mean by "fiduciary."</p> <p>18 Q. You don't understand the term "fiduciary"?</p> <p>19 A. I'm not a lawyer.</p> <p>20 Q. You're not a lawyer, okay.</p> <p>21 Have you heard the term "fiduciary" before?</p> <p>22 A. I have.</p> <p>23 Q. And what's your non-lawyer understanding of</p> <p>24 the definition of that term?</p> <p>25 A. I couldn't really even speak to it.</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 MS. JAMES: Okay. All right. I'm going to</p> <p>3 ask the reporter to mark as exhibit -- ask the</p> <p>4 reporter to mark as Exhibit 5 a document filed</p> <p>5 with the bankruptcy court Docket 3940-5</p> <p>6 entitled "Declaration of Mamta K. Scott as</p> <p>7 Officer of U.S. Bank as RMBS Trustee."</p> <p>8 (Scott Exhibit 5 marked for</p> <p>9 identification.)</p> <p>10 Q. Have you seen this document before,</p> <p>11 Ms. Scott?</p> <p>12 A. I have.</p> <p>13 Q. And is that your signature on page 27 of</p> <p>14 that document?</p> <p>15 A. It is.</p> <p>16 Q. Did you review this document before signing</p> <p>17 it?</p> <p>18 A. I did.</p> <p>19 Q. Did you write this document?</p> <p>20 A. I did not.</p> <p>21 Q. Do you agree with everything in this</p> <p>22 document?</p> <p>23 A. I would say yes.</p> <p>24 Q. Okay. At the time -- at the time of</p> <p>25 signing, you agreed with all of the statements</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 contained in this document?</p> <p>3 A. That's correct.</p> <p>4 Q. Okay. If you can look at paragraph 1, you</p> <p>5 state that -- you state, "I have personal knowledge</p> <p>6 of the facts set forth herein except as to certain</p> <p>7 matters that I believe to be true based on (a)</p> <p>8 information provided by Duff & Phelps, LLC, (b)</p> <p>9 information about positions of parties in these</p> <p>10 Chapter 11 cases contained in pleadings that I</p> <p>11 reviewed, were reported to me by counsel, or I</p> <p>12 learned during my participation in the plan</p> <p>13 mediation (defined below), and (c) my review of</p> <p>14 business records of U.S. Bank, N.A."</p> <p>15 Do you see that?</p> <p>16 A. I do.</p> <p>17 Q. As to C, what business records of U.S.</p> <p>18 Bank, N.A., did you review in connection with the</p> <p>19 signing of this declaration?</p> <p>20 A. I can't recall exactly what was reviewed.</p> <p>21 Q. How about generally?</p> <p>22 A. Again, specific documents I can't -- I</p> <p>23 can't recall. There were various documents</p> <p>24 reviewed.</p> <p>25 Q. Can you give me an example of some of those</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 documents?</p> <p>3 A. I can't right now. I can't think of</p> <p>4 anything.</p> <p>5 Q. Can't think of a single document you</p> <p>6 reviewed in connection with the --</p> <p>7 A. Maybe as we go through --</p> <p>8 MR. KOTWICK: Objection to the form.</p> <p>9 Argumentative.</p> <p>10 A. Maybe as we go through this, I may refresh</p> <p>11 my recollection.</p> <p>12 Q. Okay. If we can turn to paragraph 64,</p> <p>13 which is on page 24. In that paragraph starting on</p> <p>14 the second line -- or the first line you say,</p> <p>15 "Duff & Phelps conducted an analysis of the economic</p> <p>16 terms of the FGIC settlement using both publicly</p> <p>17 available and non-public information from Lazard,</p> <p>18 the financial advisor to the rehabilitator, as to</p> <p>19 projected future claims and anticipated payouts</p> <p>20 pursuant to the plan of rehabilitation."</p> <p>21 Do you have an understanding as to what</p> <p>22 non-public information from Lazard you were</p> <p>23 referring to in this paragraph?</p> <p>24 A. Of what exactly it was, I can't recall.</p> <p>25 Q. Did you see any of this non-public</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 information from Lazard?</p> <p>3 A. No.</p> <p>4 Q. Did you see any information from Lazard</p> <p>5 other than what's contained in the draft Duff &</p> <p>6 Phelps report and the final Duff & Phelps report?</p> <p>7 A. No.</p> <p>8 Q. In paragraph 65 you write that "Duff &</p> <p>9 Phelps advised the FGIC RMBS trustees that the FGIC</p> <p>10 settlement, including the FGIC lump sum payment,</p> <p>11 represented a reasonable resolution of the accrued</p> <p>12 and unpaid claims and projected future claims</p> <p>13 against FGIC under the FGIC policies."</p> <p>14 What did you mean by "represented a</p> <p>15 reasonable resolution"?</p> <p>16 A. According to Duff & Phelps in their</p> <p>17 presentation, the 253 million lump sum payment fell</p> <p>18 within a range of reasonableness.</p> <p>19 Q. As compared to what?</p> <p>20 A. They did a comparison of the FGIC</p> <p>21 settlement with what was being provided under the</p> <p>22 plan of rehabilitation.</p> <p>23 Q. Did Duff & Phelps opine that the FGIC</p> <p>24 proposal was better than the FGIC rehabilitation</p> <p>25 plan projections?</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 MR. KOTWICK: Objection to the form.</p> <p>3 A. Can you repeat the question?</p> <p>4 Q. Did Duff & Phelps opine that the FGIC</p> <p>5 proposal was better than the FGIC rehabilitation</p> <p>6 plan projections?</p> <p>7 A. I can't recall if they used that language.</p> <p>8 Q. Did Duff & Phelps opine that the FGIC</p> <p>9 proposal was in the best interests of the investors</p> <p>10 in the trusts?</p> <p>11 A. I don't recall. Like I said, I believe</p> <p>12 that they stated the amount was within a certain</p> <p>13 range of reasonableness.</p> <p>14 Q. And is your understanding that the</p> <p>15 amount -- that Duff & Phelps' conclusion that the</p> <p>16 amount was within a range of reasonableness meant</p> <p>17 that Duff & Phelps believed that the \$253 million</p> <p>18 amount fell within the low end -- fell somewhere</p> <p>19 between the low end of the Lazard projections and</p> <p>20 the high end of the Lazard projections?</p> <p>21 MR. KOTWICK: Objection to the form.</p> <p>22 A. And can you repeat the question one more</p> <p>23 time?</p> <p>24 Q. Yeah, that was a very poorly worded</p> <p>25 question. I apologize.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 When you say that -- that Duff & Phelps</p> <p>3 believed that the \$253 million amount was within a</p> <p>4 certain range of reasonableness, is that certain</p> <p>5 range the range from the low end of the Lazard</p> <p>6 projections to the high end of the Lazard</p> <p>7 projections?</p> <p>8 MR. KOTWICK: Objection to the form.</p> <p>9 A. I would need to confirm with their report.</p> <p>10 Q. Okay. Go for it. Have a look.</p> <p>11 A. Actually, the report provided here is a</p> <p>12 draft.</p> <p>13 MS. JAMES: Sure. Let me -- let me hand</p> <p>14 the reporter a document that is Bates stamped</p> <p>15 TR-MS000001 through TR-MS000009.</p> <p>16 (Scott Exhibit 6 marked for</p> <p>17 identification.)</p> <p>18 Q. Have you seen this document before?</p> <p>19 A. I have.</p> <p>20 Q. And do you understand this to be the final</p> <p>21 Duff & Phelps report?</p> <p>22 A. Yes.</p> <p>23 Q. Okay. And if you take a moment now to look</p> <p>24 and see whether the range of reasonableness you were</p> <p>25 referring to is, in fact, the range projected under</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 the Lazard FGIC rehabilitation plan?</p> <p>3 MR. KOTWICK: Objection to the form.</p> <p>4 A. So what I see here is that it's stating</p> <p>5 that the settlement proposal is within the range of</p> <p>6 reasonableness under either scenario, the base</p> <p>7 scenario or the stress scenario outlined in their</p> <p>8 presentation.</p> <p>9 Q. Okay. And the base scenario and the stress</p> <p>10 scenario that they are referring to is a base</p> <p>11 scenario and the stress scenario contained in</p> <p>12 Lazard's projections in connection with the FGIC</p> <p>13 rehabilitation proceedings; is that correct?</p> <p>14 MR. KOTWICK: Objection to the form.</p> <p>15 A. I think I would have -- I would know that</p> <p>16 at the time of their presentation. I couldn't</p> <p>17 confirm that now without knowing what these</p> <p>18 scenarios are.</p> <p>19 Q. Does the heading at the top of the chart</p> <p>20 here that says "FGIC Plan" on page 3 help you?</p> <p>21 A. Oh, it appears that, yes, the base scenario</p> <p>22 and the stress scenario fall under the column that</p> <p>23 says "FGIC Plan."</p> <p>24 Q. Okay. Does Duff & Phelps reach the</p> <p>25 conclusion anywhere in this report that the FGIC</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 proposal is in the best interests of the investors?</p> <p>3 A. Do you want me to go through the report?</p> <p>4 Q. Do you understand Duff & Phelps to have</p> <p>5 reached the conclusion that the FGIC commutation</p> <p>6 proposal was in the best interests of the investors?</p> <p>7 A. I believe that they, you know, they state</p> <p>8 that the amount falls within a range of</p> <p>9 reasonableness, and, I mean, they highlight aspects</p> <p>10 of both plans and they basically state that the</p> <p>11 amount falls within a range of reasonableness.</p> <p>12 Q. Okay. And does that mean the same thing as</p> <p>13 it is in the best interests of the investors?</p> <p>14 A. Unless they would use that terminology, I</p> <p>15 wouldn't know if they meant the same thing.</p> <p>16 Q. Okay. What does "in the best interests"</p> <p>17 mean?</p> <p>18 A. Just generally speaking, by whose</p> <p>19 definition or --</p> <p>20 Q. By yours.</p> <p>21 A. You know, as I outlined, there were several</p> <p>22 factors that went into why we considered this plan</p> <p>23 and the global settlement to be in the best interest</p> <p>24 of holders. What -- what are you looking for</p> <p>25 exactly?</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. I'm asking -- I'm asking for a definition</p> <p>3 of "best interests." I'm asking if "best interests"</p> <p>4 means within a range of reasonableness.</p> <p>5 MR. KOTWICK: Objection to the form.</p> <p>6 A. No, I wouldn't consider that to mean the</p> <p>7 same thing.</p> <p>8 Q. Going back to your declaration, do you</p> <p>9 state in your declaration that the FGIC settlement</p> <p>10 agreement is in the best interests of the holders?</p> <p>11 A. I would have to go through my declaration</p> <p>12 to see.</p> <p>13 Q. You don't recall whether or not you made</p> <p>14 that statement in your declaration?</p> <p>15 A. I mean, the statement is a pretty lengthy</p> <p>16 document. I can't remember every sentence.</p> <p>17 MS. JAMES: Handing the reporter now a</p> <p>18 document Bates stamped USB-MS00084 through</p> <p>19 zero -- sorry. I'm going to pull that one</p> <p>20 back.</p> <p>21 Can we go off the record for a minute.</p> <p>22 (Recess taken from 1:46 P.M. to</p> <p>23 1:47 P.M.)</p> <p>24 BY MS. JAMES:</p> <p>25 Q. Ms. Scott, when you received the final</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Duff & Phelps analysis, which is sitting -- sitting</p> <p>3 in front of you, was there an additional call with</p> <p>4 Duff & Phelps to discuss the conclusions contained</p> <p>5 in that analysis?</p> <p>6 A. The call that we had was the call that I</p> <p>7 mentioned. I don't recall if this was the</p> <p>8 presentation they used or not. I believe that the</p> <p>9 presentation that they used in that call was the</p> <p>10 final version.</p> <p>11 Q. Was the final version?</p> <p>12 A. I don't know for sure, but...</p> <p>13 Q. Okay. Did you ask any questions during</p> <p>14 that call?</p> <p>15 A. I did not, but my counsel did.</p> <p>16 Q. Your counsel did, okay.</p> <p>17 Did other trustees ask questions during</p> <p>18 that call?</p> <p>19 A. I can't remember.</p> <p>20 Q. Did anyone during that call question any of</p> <p>21 the assumptions contained in the report?</p> <p>22 A. They may have. There were several</p> <p>23 questions asked.</p> <p>24 Q. But you don't --</p> <p>25 A. There was a lot of discussion.</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Sure. Sorry for interrupting you.</p> <p>3 You don't recall any of those questions?</p> <p>4 A. I can't think of any.</p> <p>5 Q. And you didn't ask any questions yourself?</p> <p>6 A. I did not.</p> <p>7 Q. And other than your counsel, did anyone</p> <p>8 else from U.S. Bank ask any questions?</p> <p>9 MR. KOTWICK: Objection to the form.</p> <p>10 A. I was the only one on the call from U.S.</p> <p>11 Bank.</p> <p>12 Q. Okay. You stated before that U.S. Bank is</p> <p>13 a member of the Official Unsecured Creditors</p> <p>14 Committee; is that correct?</p> <p>15 A. That's right.</p> <p>16 Q. Is FGIC also a member of the Unsecured</p> <p>17 Creditors Committee?</p> <p>18 A. Yes.</p> <p>19 Q. And have you attended meetings of the</p> <p>20 Unsecured Creditors Committee which FGIC was also</p> <p>21 participating?</p> <p>22 A. Yes.</p> <p>23 Q. And who from FGIC would attend those</p> <p>24 meetings?</p> <p>25 A. I can't remember.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Okay. Did Mr. Dubel attend those meetings?</p> <p>3 A. Yes.</p> <p>4 Q. Are you aware of a conflict in that</p> <p>5 committee concerning the participation of MBIA and</p> <p>6 FGIC?</p> <p>7 MR. KOTWICK: Objection. To the extent</p> <p>8 that you are asking her to disclose</p> <p>9 communications that occurred in the context of</p> <p>10 a committee meeting, my understanding is that</p> <p>11 the bylaws have certain confidentiality, and</p> <p>12 until I get clarification from committee</p> <p>13 counsel that it doesn't apply in this</p> <p>14 situation, I'm going to ask the witness not to</p> <p>15 disclose any communications that occurred</p> <p>16 within the context of the committee process.</p> <p>17 MR. GREEN: And I join in that objection.</p> <p>18 Q. Are you aware of a letter that was filed</p> <p>19 with the court by Kathy Patrick claiming that MB --</p> <p>20 MBIA and FGIC were seeking through the committee to</p> <p>21 pursue an individual litigation agenda that was at</p> <p>22 odds with the best interests of the majority of</p> <p>23 unsecured creditors?</p> <p>24 MR. KOTWICK: You can answer yes or no.</p> <p>25 A. No.</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. You've never seen this letter?</p> <p>3 A. No.</p> <p>4 Q. And you've never heard Ms. Patrick or</p> <p>5 anyone else express those views outside of a</p> <p>6 committee meeting?</p> <p>7 A. No.</p> <p>8 Q. Was it your view that FGIC and MBIA were</p> <p>9 pursuing an individual litigation agenda at odds</p> <p>10 with the best interests of the majority of unsecured</p> <p>11 creditors?</p> <p>12 A. No.</p> <p>13 MS. JAMES: Those are all the questions I</p> <p>14 have for the moment. If you want to go --</p> <p>15 MR. GELFARB: Break for a moment.</p> <p>16 (Recess taken from 1:51 P.M. to</p> <p>17 2:01 P.M.)</p> <p>18 EXAMINATION</p> <p>19 BY MR. GELFARB:</p> <p>20 Q. Good afternoon, Ms. Scott. My name is Dave</p> <p>21 Gelfarb. I represent Freddie Mac in this matter.</p> <p>22 Do you understand you are still under oath?</p> <p>23 A. I do.</p> <p>24 Q. Is there any reason you would be unable to</p> <p>25 testify truthfully and accurately today?</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. No.</p> <p>3 Q. Are you under any medications or anything</p> <p>4 that would influence your ability to remember</p> <p>5 clearly and accurately?</p> <p>6 A. No.</p> <p>7 Q. Okay. Do you have any experience in</p> <p>8 financial modeling?</p> <p>9 A. No.</p> <p>10 Q. Any experience in financial analysis?</p> <p>11 MR. KOTWICK: Objection to form.</p> <p>12 A. I mean, I don't know what you mean by</p> <p>13 those.</p> <p>14 Q. Can you tell me, what type of work have you</p> <p>15 done since you graduated from the University of</p> <p>16 Chicago?</p> <p>17 A. I started working with LaSalle Bank in</p> <p>18 their corporate trust group shortly after I</p> <p>19 graduated, I was working on CDO products. I began</p> <p>20 as a, you know, junior analyst and worked my way up</p> <p>21 to account manager, relationship manager, and then I</p> <p>22 transitioned into their risk group shortly after</p> <p>23 2009.</p> <p>24 Q. And what year did you graduate from</p> <p>25 University of Chicago?</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. 2002.</p> <p>3 Q. And what year did you transfer or switch</p> <p>4 jobs from LaSalle to U.S. Bank?</p> <p>5 A. So LaSalle -- our group was acquired by</p> <p>6 Bank of America and then ultimately by U.S. Bank</p> <p>7 around two and a half years ago.</p> <p>8 Q. And what type of work did you do while you</p> <p>9 were employed by Bank of America?</p> <p>10 A. I still worked in the CDO group for a</p> <p>11 period of time and then I transferred over to the</p> <p>12 risk group.</p> <p>13 Q. And what do you do in the risk group?</p> <p>14 A. It was reviewing all sorts of distressed</p> <p>15 issues affecting our transactions for which we were</p> <p>16 trustee.</p> <p>17 Q. You are aware, are you not, that the plan</p> <p>18 of rehabilitation has been proposed for a FGIC by</p> <p>19 the New York Department of Financial Services?</p> <p>20 A. I am.</p> <p>21 Q. And do you have any understanding of the</p> <p>22 terms and condition of that plan as to how it would</p> <p>23 affect my client, Freddie Mac?</p> <p>24 A. I have an understanding as it was related</p> <p>25 to us by Duff & Phelps.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. And what is your understanding as to how</p> <p>3 that plan of rehabilitation would affect Freddie</p> <p>4 Mac?</p> <p>5 MR. KOTWICK: Objection to the form.</p> <p>6 Just -- you are talking about Freddie Mac</p> <p>7 specifically now?</p> <p>8 MR. GELFARB: Freddie Mac specifically,</p> <p>9 yes.</p> <p>10 A. I don't have an understanding of how it</p> <p>11 would affect Freddie Mac specifically.</p> <p>12 Q. And how about -- how about RMBS trusts</p> <p>13 generally?</p> <p>14 A. I have an understanding, again, according</p> <p>15 to what was presented to us by Duff & Phelps.</p> <p>16 Q. And what is your understanding based upon</p> <p>17 what Duff & Phelps told you?</p> <p>18 A. Regarding what point?</p> <p>19 Q. What is it that the R -- that the holders</p> <p>20 of certificates, which includes, of course, Freddie</p> <p>21 Mac, are to receive under the plan of</p> <p>22 rehabilitation?</p> <p>23 A. My understanding is that's not certain.</p> <p>24 Q. Do you have any idea what they are to</p> <p>25 receive?</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I think -- we could refer to the</p> <p>3 presentation again. We can walk through.</p> <p>4 Q. Okay. So you have no independent knowledge</p> <p>5 of what the terms of any deal are unless it was what</p> <p>6 has been conveyed to you by Duff & Phelps; is that</p> <p>7 correct?</p> <p>8 A. That's right.</p> <p>9 Q. Okay. And the information that was</p> <p>10 conveyed to you by Duff & Phelps is set forth in</p> <p>11 Exhibit 6, for example, today?</p> <p>12 A. Yes.</p> <p>13 Q. Okay. Do you know the term "disclosure</p> <p>14 statement"?</p> <p>15 A. I do.</p> <p>16 Q. Okay. Have you ever seen a disclosure</p> <p>17 statement with respect to the plan of rehabilitation</p> <p>18 of FGIC?</p> <p>19 A. No.</p> <p>20 Q. I'm going to represent to you that the</p> <p>21 disclosure statement says that FGIC engaged in</p> <p>22 extensive discussions with the indenture trustees.</p> <p>23 Do you know whether FGIC engaged in discussions with</p> <p>24 U.S. Bank about the FGIC rehabilitation plan?</p> <p>25 MR. KOTWICK: Objection to the form.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I don't know.</p> <p>3 Q. Did you personally engage in any</p> <p>4 discussions with FGIC about the FGIC rehabilitation</p> <p>5 plan?</p> <p>6 A. No.</p> <p>7 MR. KOTWICK: Objection to the form and</p> <p>8 outside the scope of the 30(b)(6).</p> <p>9 Q. Do you know whether any of your colleagues</p> <p>10 at U.S. Bank, other than counsel, engaged in</p> <p>11 discussions with FGIC --</p> <p>12 MR. KOTWICK: Same objections.</p> <p>13 Q. -- about the FGIC rehabilitation plan?</p> <p>14 A. No.</p> <p>15 Q. Do you know whether any court sitting in</p> <p>16 New York found that the FGIC rehabilitation plan was</p> <p>17 fair and equitable to certificate holders?</p> <p>18 MR. KOTWICK: Objection. Outside the</p> <p>19 scope.</p> <p>20 A. No.</p> <p>21 Q. Do you personally, sitting here today, have</p> <p>22 any idea whether the plan of rehabilitation for FGIC</p> <p>23 was or is fair and equitable to my client, Freddie</p> <p>24 Mac?</p> <p>25 MR. KOTWICK: Objection to the form.</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. No.</p> <p>3 Q. Do you have any opinion or understanding as</p> <p>4 to whether the plan of rehabilitation for FGIC is</p> <p>5 fair and equitable to certificate holders as a</p> <p>6 whole?</p> <p>7 MR. KOTWICK: Objection to the form. Hold</p> <p>8 on just a minute. Outside the scope.</p> <p>9 A. Can you repeat the question?</p> <p>10 Q. Do you have any understanding as to whether</p> <p>11 the plan of rehabilitation is fair and equitable to</p> <p>12 certificate holders as a whole, not just including</p> <p>13 Freddie Mac?</p> <p>14 MR. GREEN: I'm going to object to this</p> <p>15 line of questioning as being outside the scope</p> <p>16 as well. It's seeking information for</p> <p>17 discovery in a different proceeding.</p> <p>18 A. No.</p> <p>19 Q. Have you personally ever performed any</p> <p>20 analysis of the terms and conditions of the FGIC</p> <p>21 rehabilitation plan?</p> <p>22 MR. KOTWICK: Objection. Outside the</p> <p>23 scope.</p> <p>24 And just to be clear, when you say "you</p> <p>25 personally," you are now talking about her, not</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 U.S. Bank?</p> <p>3 MR. GELFARB: I'm sorry.</p> <p>4 Q. Have you at your work at U.S. Bank</p> <p>5 performed any analysis of the terms and conditions</p> <p>6 of the FGIC rehabilitation plan?</p> <p>7 MR. KOTWICK: Objection. Outside the</p> <p>8 scope.</p> <p>9 MR. GREEN: Objection.</p> <p>10 A. No.</p> <p>11 Q. Do you know whether anyone else at U.S.</p> <p>12 Bank has performed any analysis of the terms and</p> <p>13 conditions of the FGIC rehabilitation plan, other</p> <p>14 than counsel?</p> <p>15 MR. KOTWICK: Objection. Outside the</p> <p>16 scope.</p> <p>17 A. I don't know.</p> <p>18 Q. Do you know what the term "rehabilitator"</p> <p>19 means with respect to the FGIC rehabilitation plan,</p> <p>20 Ms. Scott?</p> <p>21 MR. KOTWICK: Objection. Outside the</p> <p>22 scope.</p> <p>23 A. No.</p> <p>24 Q. Have you -- when I say "personally," I mean</p> <p>25 you but, of course, in connection with your work at</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 U.S. Bank, not in your personal life. Do you</p> <p>3 know -- have you ever engaged in any discussions</p> <p>4 with the Superintendent of Insurance -- excuse me,</p> <p>5 the Department of Financial Services of the state of</p> <p>6 New York --</p> <p>7 MR. GREEN: Objection. This is seeking</p> <p>8 information and asking about discussions</p> <p>9 protected by the mediation privilege and the</p> <p>10 court's order.</p> <p>11 MR. KOTWICK: Objection. Outside the</p> <p>12 scope.</p> <p>13 MR. GELFARB: Can I finish the question?</p> <p>14 Thanks.</p> <p>15 Q. Have you engaged in any discussions with</p> <p>16 the New York Department of Financial Services with</p> <p>17 respect to the FGIC rehabilitation plan?</p> <p>18 MR. KOTWICK: Objection. Outside the</p> <p>19 scope.</p> <p>20 You can answer yes or no.</p> <p>21 MR. GREEN: Objection.</p> <p>22 A. No.</p> <p>23 Q. And just for the record, when I say</p> <p>24 "Department of Financial Services," that department</p> <p>25 used to be called something to the effect of</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 "Superintendent of Insurance." So if I ask you a</p> <p>3 question about it, I mean when it was the Department</p> <p>4 of Insurance as well as the Department of Financial</p> <p>5 Services. Is that clear?</p> <p>6 A. That is.</p> <p>7 Q. Thanks. Now, do you know whether anyone</p> <p>8 else at U.S. Bank engaged in any discussions with</p> <p>9 the Department of Financial Services with respect to</p> <p>10 the FGIC rehabilitation plan?</p> <p>11 MR. KOTWICK: Outside the scope.</p> <p>12 You can answer the question yes or no.</p> <p>13 MR. GREEN: Objection.</p> <p>14 A. No.</p> <p>15 Q. Do you know what the term "run-off</p> <p>16 projections" means in connection with the FGIC</p> <p>17 rehabilitation plan?</p> <p>18 MR. KOTWICK: Objection. Outside the</p> <p>19 scope.</p> <p>20 A. No.</p> <p>21 Q. Have you ever heard the name Michael Miller</p> <p>22 before?</p> <p>23 A. No.</p> <p>24 Q. Have you -- you are aware, are you not,</p> <p>25 that Lazard -- have you ever heard of the company</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 called Lazard?</p> <p>3 A. Yes.</p> <p>4 Q. Okay. Do you know that Lazard, or are you</p> <p>5 aware that Lazard is in the financial business?</p> <p>6 A. Yes.</p> <p>7 Q. Okay. Do you know whether Lazard performed</p> <p>8 any services in connection with the FGIC</p> <p>9 rehabilitation plan?</p> <p>10 A. Yes.</p> <p>11 Q. What services do you know that they have</p> <p>12 performed?</p> <p>13 MR. GREEN: I'm going to object to this to</p> <p>14 the extent it's seeking information or</p> <p>15 information about communications regarding the</p> <p>16 mediation and that is protected by the</p> <p>17 mediation privilege, and I continue to object</p> <p>18 to this line of questioning about the FGIC</p> <p>19 rehabilitation as beyond the scope of the</p> <p>20 30(b)(6) notice.</p> <p>21 MR. KOTWICK: Just let me read the question</p> <p>22 back.</p> <p>23 Object as outside the scope.</p> <p>24 You can answer yes or no.</p> <p>25 A. Can you repeat the question?</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 MR. GELFARB: Can you read back the</p> <p>3 question.</p> <p>4 (Record was read as requested.)</p> <p>5 MR. KOTWICK: I'm sorry, what was the</p> <p>6 question before?</p> <p>7 (Record was read as requested.)</p> <p>8 A. I think I already stated earlier today that</p> <p>9 I knew they were involved, but in what capacity I'm</p> <p>10 not -- I can't remember.</p> <p>11 Q. Okay. Have you ever heard the name Michael</p> <p>12 Miller with respect to Lazard?</p> <p>13 A. No.</p> <p>14 Q. I apologize if I asked you that earlier.</p> <p>15 Okay. Have you ever seen any affidavit or</p> <p>16 any documents prepared by a Michael Miller?</p> <p>17 A. No.</p> <p>18 Q. Has U.S. Bank ever discussed the FGIC</p> <p>19 rehabilitation plan with Freddie Mac?</p> <p>20 MR. KOTWICK: Objection. Outside the</p> <p>21 scope.</p> <p>22 A. I don't know.</p> <p>23 Q. Do you know whether anyone has ever written</p> <p>24 to Freddie Mac about the FGIC rehabilitation plan,</p> <p>25 whether anyone at U.S. Bank has written to anyone at</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Freddie Mac about the FGIC rehabilitation plan at</p> <p>3 any time?</p> <p>4 MR. KOTWICK: Objection. Outside the</p> <p>5 scope.</p> <p>6 A. I don't know.</p> <p>7 Q. Were you ever asked to communicate with</p> <p>8 Freddie Mac about the FGIC rehabilitation plan?</p> <p>9 MR. KOTWICK: Objection. Outside the</p> <p>10 scope.</p> <p>11 A. No.</p> <p>12 MR. GELFARB: I want to ask you, Madam</p> <p>13 Reporter, to mark this Exhibit 7.</p> <p>14 (Scott Exhibit 7 marked for</p> <p>15 identification.)</p> <p>16 Q. Ms. Scott, have you had an opportunity to</p> <p>17 look at Exhibit 7?</p> <p>18 A. Yes.</p> <p>19 Q. Okay. Can you identify this document?</p> <p>20 A. This appears to be the FGIC settlement</p> <p>21 agreement.</p> <p>22 Q. And have you seen this document before?</p> <p>23 A. I have.</p> <p>24 Q. Okay. And did you sign this document?</p> <p>25 A. Yes.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Okay. I direct your attention to the fifth</p> <p>3 page past page 17. Is that your signature?</p> <p>4 A. This is.</p> <p>5 Q. Now, did you personally engage in any</p> <p>6 negotiations that led to the execution of this</p> <p>7 agreement?</p> <p>8 A. No.</p> <p>9 Q. Were you asked to sign this agreement by</p> <p>10 someone at U.S. Bank?</p> <p>11 A. No.</p> <p>12 Q. You took it upon yourself to sign the</p> <p>13 agreement?</p> <p>14 MR. KOTWICK: Objection to the form.</p> <p>15 A. I reviewed the agreement, vetted the</p> <p>16 agreement, discussed it internally, as I mentioned</p> <p>17 earlier today, and signed the agreement.</p> <p>18 Q. Okay. What did you do when you say you</p> <p>19 vetted the agreement?</p> <p>20 MR. KOTWICK: Objection to the form. Asked</p> <p>21 and answered.</p> <p>22 A. Again, discussed it internally, discussed</p> <p>23 it with my manager.</p> <p>24 Q. Did you discuss the amounts that the RMBS</p> <p>25 holders were to receive under this agreement with</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 your manager or anyone else at U.S. Bank?</p> <p>3 A. I believe I did mention the amounts, yes.</p> <p>4 Q. Okay. And was some kind of consensus</p> <p>5 reached or was -- how did you determine -- well, did</p> <p>6 you agree that the amount was satisfactory?</p> <p>7 A. Again, as stated, we engaged Duff & Phelps</p> <p>8 to do the analysis and compare the terms of this</p> <p>9 agreement with what was being offered under their</p> <p>10 rehabilitation plan, and according to Duff & Phelps</p> <p>11 the amount was in the range of reasonableness.</p> <p>12 Q. When you say the word "a range," is there a</p> <p>13 range with a lower number and a higher number?</p> <p>14 A. I believe we referred to that in the</p> <p>15 report, yes.</p> <p>16 Q. Okay. Do you recall what that range was</p> <p>17 from top to bottom? And if you need to look at one</p> <p>18 of the previous exhibits, that's fine.</p> <p>19 A. It appears that there are two ranges</p> <p>20 listed.</p> <p>21 Q. And what are those two ranges?</p> <p>22 A. There is a range under a base case scenario</p> <p>23 and a range under the stress scenario.</p> <p>24 Q. What does the base scenario refer to, as</p> <p>25 far as you understand?</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I think, as I mentioned before, the status</p> <p>3 quo, things kind of going along normally with the</p> <p>4 economy.</p> <p>5 Q. Now, what is the amount that this says that</p> <p>6 the noteholders are to receive under the FGIC</p> <p>7 settlement proposal?</p> <p>8 A. Can you repeat that?</p> <p>9 Q. What is the amount that the Exhibit 6 says</p> <p>10 that the FGIC noteholders, policyholders, are to</p> <p>11 receive under the FGIC settlement proposal?</p> <p>12 MR. KOTWICK: Objection to form.</p> <p>13 A. The first bullet point in Duff & Phelps'</p> <p>14 presentation under that column, the FGIC plan states</p> <p>15 that the RMBS policyholders would receive</p> <p>16 approximately 150 million upon plan confirmation on</p> <p>17 or around December 2013, remainder of the payments</p> <p>18 will be made over 40 years.</p> <p>19 Q. And do you see a range for the base</p> <p>20 scenario toward the bottom of the page?</p> <p>21 A. I do.</p> <p>22 Q. And what is that range?</p> <p>23 A. It says approximately 220 to 340 million.</p> <p>24 Q. Okay. And do you understand that range</p> <p>25 reflects certain discount rates?</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. Can you repeat the question?</p> <p>3 Q. Do you understand that that range reflects</p> <p>4 certain discount rates?</p> <p>5 A. I mean, as I'm looking at this today, I</p> <p>6 don't know what that reflects.</p> <p>7 Q. Okay. Do you know how much Freddie Mac is</p> <p>8 to receive under the FGIC settlement proposal?</p> <p>9 A. Specifically, no.</p> <p>10 Q. Did you send me an e-mail with the amounts</p> <p>11 that the trusts in which Freddie Mac holds</p> <p>12 securities is to receive?</p> <p>13 A. I sent you an e-mail with the amounts due</p> <p>14 to the trusts, yes.</p> <p>15 MR. GELFARB: I'd like you to take a</p> <p>16 look -- this would be Exhibit 8.</p> <p>17 (Scott Exhibit 8 marked for</p> <p>18 identification.)</p> <p>19 Q. Ms. Scott, I ask you to look at Exhibit 8.</p> <p>20 Please feel free to read the entire exhibit, but I'm</p> <p>21 really only going to focus on the first half of the</p> <p>22 first page.</p> <p>23 A. Okay.</p> <p>24 Q. Have you had an opportunity to look at the</p> <p>25 first half of the first page?</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. Yes.</p> <p>3 Q. And do you -- can you identify that</p> <p>4 document?</p> <p>5 A. This is a response from me to you in e-mail</p> <p>6 form.</p> <p>7 Q. And I was asking you the amounts that each</p> <p>8 trust in which Freddie Mac has invested will receive</p> <p>9 if the policies are commuted; is that correct?</p> <p>10 A. Yes.</p> <p>11 Q. And do you see that you listed three</p> <p>12 numbers in your e-mail?</p> <p>13 A. Yes.</p> <p>14 Q. And can you tell me how each of those</p> <p>15 numbers was calculated?</p> <p>16 A. The amounts were determined by Duff &</p> <p>17 Phelps.</p> <p>18 Q. They were not determined by U.S. Bank?</p> <p>19 A. No.</p> <p>20 Q. Did you check Duff & Phelps' work?</p> <p>21 A. We engaged Duff & Phelps to do certain</p> <p>22 analysis and provide the allocations.</p> <p>23 Q. Okay. My question is did you check the</p> <p>24 work that they did?</p> <p>25 MR. KOTWICK: Objection to the form.</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. No. We engaged them as our financial</p> <p>3 advisor to do this work.</p> <p>4 Q. And when I say "you," I mean U.S. Bank.</p> <p>5 Did anyone else at U.S. Bank check the work?</p> <p>6 A. The answer is the same.</p> <p>7 Q. So the answer is no. Thanks.</p> <p>8 MR. KOTWICK: Just make sure you verbalize</p> <p>9 your answers and not nods.</p> <p>10 THE WITNESS: Sorry.</p> <p>11 A. No.</p> <p>12 Q. Do you know when Duff & Phelps determined</p> <p>13 the amount that each of these three trusts were to</p> <p>14 receive, did Duff & Phelps take into account future</p> <p>15 losses expected on the securities in these three</p> <p>16 trusts?</p> <p>17 A. Can you repeat the question?</p> <p>18 Q. Yes.</p> <p>19 Do you know when you -- did you ask Duff &</p> <p>20 Phelps to take into account future projected losses</p> <p>21 on the securities in the trusts in determining the</p> <p>22 amounts that Freddie Mac was to receive if the</p> <p>23 policies were commuted?</p> <p>24 MR. KOTWICK: Objection to the form.</p> <p>25 A. We engaged Duff & Phelps and asked them to</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 provide the allocations --</p> <p>3 Q. And what did you --</p> <p>4 A. -- per trust.</p> <p>5 Q. What did you exactly ask them to do?</p> <p>6 A. I couldn't speak to you exactly what we</p> <p>7 asked them to do.</p> <p>8 Q. Who asked them?</p> <p>9 MR. KOTWICK: And I will counsel the</p> <p>10 witness to the extent that any knowledge that</p> <p>11 she has that is part of discussions that she</p> <p>12 had with counsel, not to disclose the</p> <p>13 discussions with counsel.</p> <p>14 MR. GELFARB: Of course.</p> <p>15 Q. Who -- were you the one who asked Duff &</p> <p>16 Phelps to make these computations?</p> <p>17 A. No.</p> <p>18 Q. Do you know who asked Duff & Phelps to do</p> <p>19 this from U.S. Bank?</p> <p>20 A. It would have been through counsel that the</p> <p>21 request was made.</p> <p>22 Q. Oh, all right.</p> <p>23 MR. GELFARB: I'm going to ask you to mark</p> <p>24 this as Exhibit 9.</p> <p>25 (Scott Exhibit 9 marked for</p>

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<p>1 CONFIDENTIAL - M. SCOTT 2 identification.) 3 Q. Ms. Scott, are you familiar with the term 4 "Intex"? 5 A. I've heard the term. 6 Q. What is Intex? 7 A. Exactly what it is, I can't say. 8 Q. I'd like you to take a look at Exhibit 9. 9 I'm not asking whether you recognize the specific 10 numbers on this page, but have you ever seen a 11 screenshot that looks similar to this in your work? 12 A. No. 13 Q. Has it ever been your job within U.S. Bank 14 to account for, to study, or report on accumulated 15 write-downs on securities? 16 MR. KOTWICK: Objection. Outside the 17 scope. 18 A. And can you repeat the question? 19 Q. Yeah. 20 Has it ever been one of your duties at U.S. 21 Bank to report on or to study or analyze accumulated 22 write-downs on securities in the RMBS trusts? 23 A. No. 24 Q. I'm going to ask you to take a look again 25 at Scott Exhibit No. 6. I think you testified</p>	<p>1 CONFIDENTIAL - M. SCOTT 2 earlier that you understand that according to the 3 FGIC settlement that the policyholders are to 4 receive the amount of \$253 million; is that correct? 5 MR. KOTWICK: Objection to the form. 6 A. Can you repeat the question? 7 Q. Is it correct that you testified earlier 8 that you understand that the policyholders are to 9 receive the sum of approximately \$253 million under 10 the FGIC settlement plan? 11 A. Yes. 12 Q. Do you know what that \$253 million 13 represents as a percentage of the claims of 14 policyholders? 15 A. I do not. 16 Q. Have you ever heard that \$253 million 17 represents approximately 21 percent of the claims of 18 policyholders? 19 A. I don't recall. 20 MR. GELFARB: Okay. I'm going to mark 21 this -- I think we are up to 9? 22 REPORTER: 10. 23 (Scott Exhibit 10 marked for 24 identification.) 25 Q. Ms. Scott, I ask you to take a look at</p>
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<p>1 CONFIDENTIAL - M. SCOTT 2 what's been marked as Scott Exhibit No. 10. 3 Can you identify this document? 4 A. Yes, this is the draft Duff & Phelps 5 report. 6 Q. Have you seen this document before? 7 MR. KOTWICK: Objection. Are you -- is 8 this document something different than what's 9 been previously marked as -- 10 MR. GELFARB: Yes, Mr. Kotwick. Just for 11 the record, this document, on the first page on 12 the bottom right says DUFF-MS0003, and I think 13 Exhibit No. 6 is MS, a bunch of zeros, 1, but 14 you will notice that on the middle of the first 15 page on the right the earlier Exhibit No. 6 was 16 dated May 15th, 2013, and this one is dated 17 May 2013. 18 MR. KOTWICK: I'm looking at Scott No. 4. 19 And I recognize it's got a different Bates 20 stamp number. 21 MR. GELFARB: I think they are the same. I 22 apologize. 23 MR. KOTWICK: I believe they are, but I'm 24 not -- not going to represent that on the 25 record.</p>	<p>1 CONFIDENTIAL - M. SCOTT 2 MR. GELFARB: That's okay. We can go -- we 3 can use mine, if that's okay with you. 4 MR. KOTWICK: That's fine, but I will 5 caution the witness that this may or may not be 6 the same as the Scott No. 4. 7 BY MR. GELFARB: 8 Q. Okay. I believe it is, but please -- 9 please take a look at what's now Scott No. 10, 10 Ms. Scott. So you have seen Scott No. 10 before? 11 A. I saw it earlier today. 12 Q. Oh, was today the first time you saw it? 13 A. No, I believe I've seen it before. 14 Q. Okay. Did you review it before today? 15 MR. KOTWICK: Objection to the form. 16 A. So I can't recall if I've reviewed the 17 draft version versus the final. 18 Q. Do you recall receiving the draft version? 19 MR. KOTWICK: Objection. Form. Asked and 20 answered. 21 A. I mean, I saw that I received the draft. I 22 saw that earlier today. 23 Q. You saw an e-mail indicating that the draft 24 was sent to you; correct? 25 A. That's right.</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Okay. Now, I'd like you to take a look on</p> <p>3 Exhibit No. 10, do you see a page -- well, page 7,</p> <p>4 can you take a look at that.</p> <p>5 Do you see that page, Ms. Scott?</p> <p>6 A. Yes.</p> <p>7 Q. Okay. Do you see where it says "nominal</p> <p>8 recovery" toward the bottom of the page?</p> <p>9 A. Yes.</p> <p>10 Q. Do you see it says, "Approximately</p> <p>11 19-20 percent"?</p> <p>12 A. Yes.</p> <p>13 Q. Do you know what that means?</p> <p>14 A. As I sit here today, I don't -- I can't</p> <p>15 speak to it, but at the time during Duff's</p> <p>16 presentation, if this is the version that they</p> <p>17 presented to us, I would have understood it.</p> <p>18 Q. Did Duff present one version to you --</p> <p>19 well, to the group or two, if you recall, during the</p> <p>20 presentation that you testified about earlier?</p> <p>21 A. We had one call that I was on where they</p> <p>22 presented their report.</p> <p>23 Q. Now, when you received the e-mail</p> <p>24 containing Exhibit No. 10, did you engage in any</p> <p>25 review of it at that time or at any time prior to</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 the discussion with Duff & Phelps?</p> <p>3 MR. KOTWICK: Objection to the form.</p> <p>4 A. And can you repeat the question?</p> <p>5 Q. Yeah.</p> <p>6 When you received Exhibit No. 10 via</p> <p>7 e-mail, which you agree you did; correct?</p> <p>8 A. Yes.</p> <p>9 Q. Okay. Did you personally engage in any</p> <p>10 review of the document prior to the discussion with</p> <p>11 Duff & Phelps?</p> <p>12 A. I don't recall.</p> <p>13 Q. Do you have any recollection sitting here</p> <p>14 today whether you saw that line on page No. 7 that</p> <p>15 says, "Nominal recovery, approximately</p> <p>16 19-20 percent"?</p> <p>17 A. As I sit here today, no.</p> <p>18 Q. Do you have any recollection whether you</p> <p>19 ever discussed that line with anyone at U.S. Bank?</p> <p>20 MR. KOTWICK: Objection to the form.</p> <p>21 A. No.</p> <p>22 Q. During the discussion with Duff & Phelps,</p> <p>23 did Duff & Phelps indicate or state or in any way</p> <p>24 allude to a percentage of losses that the</p> <p>25 \$253 million would make up?</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. I don't recall.</p> <p>3 Q. Did anybody ask what percentage of the</p> <p>4 losses that were suffered by the policyholders would</p> <p>5 be reimbursed under the FGIC settlement plan?</p> <p>6 A. I don't recall.</p> <p>7 Q. Did you ever -- did you ever discuss with</p> <p>8 anyone at U.S. Bank what percentage of the</p> <p>9 policyholder losses would be reimbursed by the FGIC</p> <p>10 settlement plan?</p> <p>11 A. No.</p> <p>12 Q. Did you think -- do you think sitting here</p> <p>13 today that it's significant to know what percentage</p> <p>14 of the policyholder losses are being reimbursed?</p> <p>15 MR. KOTWICK: Objection to the form.</p> <p>16 A. Sitting here today, I think what Duff &</p> <p>17 Phelps presented to us was -- was what we needed to</p> <p>18 know and what was relevant.</p> <p>19 Q. Okay. And do you think -- do you believe</p> <p>20 sitting here today that the FGIC settlement plan is</p> <p>21 fair and equitable to the certificate holders?</p> <p>22 MR. KOTWICK: Just -- okay. You can answer</p> <p>23 the question.</p> <p>24 A. Can you repeat the question?</p> <p>25 Q. Yeah.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Do you think sitting here today that the</p> <p>3 FGIC rehabilitation plan is fair and equitable to</p> <p>4 the policyholders?</p> <p>5 MR. KOTWICK: That was a different</p> <p>6 question.</p> <p>7 MR. GELFARB: Well, read back the first</p> <p>8 question, Miss Reporter.</p> <p>9 (Record was read as requested.)</p> <p>10 MR. KOTWICK: Objection to the form.</p> <p>11 Do you mean the FGIC settlement proposal or</p> <p>12 the FGIC rehab plan?</p> <p>13 MR. GELFARB: FGIC settlement proposal.</p> <p>14 A. I'm not sure what you mean by "fair and</p> <p>15 equitable."</p> <p>16 Q. Do you know what the word "fair" means in</p> <p>17 the English language?</p> <p>18 MR. KOTWICK: Objection to the form.</p> <p>19 Argumentative.</p> <p>20 Q. What does the words "fair and equitable"</p> <p>21 mean to you?</p> <p>22 A. It depends on the context. I understand</p> <p>23 the FGIC settlement as we determined based off of</p> <p>24 the presentation from Duff & Phelps was reasonable</p> <p>25 and it was in the best interest of the holders.</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Okay. But did anyone at U.S. Bank make a</p> <p>3 determination as to whether it was fair and</p> <p>4 equitable to the policyholders?</p> <p>5 MR. KOTWICK: Objection to the form.</p> <p>6 A. I spoke to what the determination made was</p> <p>7 by U.S. Bank.</p> <p>8 Q. And what was that again?</p> <p>9 A. That it was reasonable and in the best</p> <p>10 interest of the holders.</p> <p>11 Q. Do you understand that there was a FGIC</p> <p>12 rehabilitation plan; correct?</p> <p>13 A. Yes.</p> <p>14 MR. KOTWICK: Objection. Outside the</p> <p>15 scope.</p> <p>16 Q. And you understand that the FGIC settlement</p> <p>17 is modifying the FGIC rehabilitation plan; correct?</p> <p>18 MR. KOTWICK: Objection. Outside the</p> <p>19 scope.</p> <p>20 Q. Do you understand that?</p> <p>21 A. I do not.</p> <p>22 Q. Do you know whether there is any difference</p> <p>23 between what the certificate holders, such as</p> <p>24 Freddie Mac, are to receive under the FGIC</p> <p>25 rehabilitation plan versus what they are to receive</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 under the FGIC settlement plan?</p> <p>3 A. Can you repeat the question?</p> <p>4 Q. Yeah.</p> <p>5 Do you understand that there is a</p> <p>6 difference between what the FGIC -- excuse me --</p> <p>7 what the certificate holders are to receive under</p> <p>8 the FGIC rehabilitation plan versus what they are to</p> <p>9 receive under the FGIC settlement plan?</p> <p>10 A. I mean, I understand, again, pursuant to</p> <p>11 the report that Duff created, the differences</p> <p>12 between each plan.</p> <p>13 Q. Okay. And can you tell me sitting here</p> <p>14 today why the -- well, first, do you believe that</p> <p>15 the FGIC settlement plan is better for the</p> <p>16 certificate holders than the FGIC rehabilitation</p> <p>17 plan?</p> <p>18 MR. KOTWICK: Objection to the form.</p> <p>19 A. I believe that, after viewing the analysis</p> <p>20 done by Duff and understanding their presentation,</p> <p>21 this -- the FGIC settlement was reasonable and in</p> <p>22 the best interest of holders.</p> <p>23 Q. Okay. That's fine. My question is do you</p> <p>24 think it's better?</p> <p>25 MR. KOTWICK: Objection to form.</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 MR. GREEN: Asked -- asked and answered.</p> <p>3 MR. GELFARB: Can she answer?</p> <p>4 MR. KOTWICK: Yeah, no --</p> <p>5 MR. GELFARB: Mr. Kotwick is your counsel.</p> <p>6 MR. KOTWICK: I object to the form. You</p> <p>7 can answer.</p> <p>8 A. Again, I stated that the settlement was</p> <p>9 reasonable and in the best interest of the holders.</p> <p>10 Q. Okay. Sitting here today, do you have an</p> <p>11 opinion as to whether the FGIC commutation plan is</p> <p>12 better for the certificate holders than the FGIC</p> <p>13 rehabilitation plan? And if you don't, that's fine.</p> <p>14 MR. KOTWICK: Objection to form. Can you</p> <p>15 read the question --</p> <p>16 MR. GELFARB: Read the question,</p> <p>17 Miss Reporter.</p> <p>18 MR. KOTWICK: It's an unclear question.</p> <p>19 (Record was read as requested.)</p> <p>20 A. No.</p> <p>21 Q. Do you think it's your duty as a trustee to</p> <p>22 have an understanding as to which plan is better?</p> <p>23 MR. KOTWICK: Objection to the form.</p> <p>24 A. I asserted that we made a determination</p> <p>25 that the FGIC settlement plan was reasonable and in</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 the best interest of the holders.</p> <p>3 MR. KOTWICK: When you get a break in</p> <p>4 topics, can we take a short recess, please.</p> <p>5 MR. GELFARB: That will be fine.</p> <p>6 Q. Take a look, please, at Scott Exhibit No. 6</p> <p>7 again. Please direct your attention, Ms. Scott, to</p> <p>8 page No. 3. It's Bates stamped MS, lots of zeros,</p> <p>9 3. Do you see that page, it says "Executive</p> <p>10 Summary" at the top?</p> <p>11 A. Yes.</p> <p>12 Q. All right. I want you to take a look at</p> <p>13 where the column says "FGIC Settlement Proposal."</p> <p>14 Do you see that?</p> <p>15 A. I do.</p> <p>16 Q. And do you see where it says "Risk" and the</p> <p>17 sentence? If you could please read that sentence,</p> <p>18 out loud?</p> <p>19 A. Can you repeat which sentence?</p> <p>20 Q. Next to the word "Risk," fifth bullet point</p> <p>21 on the left side of the page.</p> <p>22 A. Read it to myself?</p> <p>23 Q. No, read it out loud.</p> <p>24 A. "Potential risk of relinquished upside</p> <p>25 economics in the event that the base scenario under</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 the plan is met and correspondingly exceeded."</p> <p>3 Q. Do you understand what that means?</p> <p>4 A. I would have understood it at the time. As</p> <p>5 I sit here today, I can't recall what...</p> <p>6 MR. GELFARB: Off the record. If you'd</p> <p>7 like to take a break, Mr. Kotwick, that's fine.</p> <p>8 MR. KOTWICK: I think the witness has</p> <p>9 some -- needs to take a break.</p> <p>10 MR. GELFARB: Okay. It's up to you.</p> <p>11 (Recess taken from 2:44 P.M. to</p> <p>12 3:10 P.M.)</p> <p>13 BY MR. GELFARB:</p> <p>14 Q. Ms. Scott, you understand you are still on</p> <p>15 the record and still under oath?</p> <p>16 A. Yes.</p> <p>17 Q. Ms. Scott, have you ever spoken to anyone</p> <p>18 at FGIC about the -- anyone at Freddie Mac about the</p> <p>19 FGIC settlement plan?</p> <p>20 MR. KOTWICK: Objection to form.</p> <p>21 Are you talking about the FGIC settlement</p> <p>22 proposal?</p> <p>23 MR. GELFARB: The settlement proposal.</p> <p>24 Yeah, to make it simpler, I'm going to call it</p> <p>25 now the "ResCap settlement." Is that okay?</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 That's what we called it yesterday.</p> <p>3 Q. Do you understand what I mean by the term</p> <p>4 "ResCap settlement"?</p> <p>5 A. I think that might be a bit confusing</p> <p>6 because there is a ResCap settlement as well.</p> <p>7 Q. That's fine.</p> <p>8 Have you spoken to anyone at Freddie Mac</p> <p>9 about the FGIC settlement proposal that was</p> <p>10 addressed with Duff & Phelps, that plan?</p> <p>11 A. No.</p> <p>12 Q. Do you know whether anyone at U.S. Bank</p> <p>13 talked with anyone at Freddie Mac about the FGIC</p> <p>14 settlement proposal?</p> <p>15 MR. KOTWICK: At any time?</p> <p>16 MR. GELFARB: At any time.</p> <p>17 A. No.</p> <p>18 Q. Do you know whether there was any written</p> <p>19 communication between U.S. Bank and Freddie Mac</p> <p>20 about the FGIC settlement proposal?</p> <p>21 A. No.</p> <p>22 Q. Did you ever tell Freddie Mac that there</p> <p>23 was any possibility of its FGIC policies being</p> <p>24 commuted?</p> <p>25 MR. KOTWICK: Objection to form.</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. Specifically, no.</p> <p>3 Q. Well, did you ever tell anyone at Freddie</p> <p>4 Mac in general that there was discussion about their</p> <p>5 policies being commuted?</p> <p>6 MR. KOTWICK: Prior to the acceptance of</p> <p>7 the settlement agreement?</p> <p>8 MR. GELFARB: Correct.</p> <p>9 A. No.</p> <p>10 Q. Do you know whether anyone else at U.S.</p> <p>11 Bank spoke to anyone at Freddie Mac about the</p> <p>12 possibility of the FGIC policies being commuted?</p> <p>13 A. No.</p> <p>14 Q. Let's go back to the Duff & Phelps exhibit.</p> <p>15 I think that was No. 6 that has the May 15th writing</p> <p>16 on it. Can you -- you have that in front of you --</p> <p>17 A. I have that.</p> <p>18 Q. -- Exhibit No. 6?</p> <p>19 All right. Do you see the sentence, and</p> <p>20 I'll read it, just let me know if it's too fast.</p> <p>21 MR. KOTWICK: On what page?</p> <p>22 MR. GELFARB: On page 3, Mr. Kotwick.</p> <p>23 MR. KOTWICK: Thank you.</p> <p>24 Q. "Based on D & P's loss estimates of the</p> <p>25 wrapped portion of the ResCap-sponsored RMBS trusts,</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 the cash commutation proposal provided by FGIC is</p> <p>3 within the range of expected payments under the plan</p> <p>4 of rehabilitation on discounted cash flow basis."</p> <p>5 Do you see that, Ms. Scott?</p> <p>6 A. I do.</p> <p>7 Q. Do you understand what that means?</p> <p>8 A. I understand it as I read it here, yes.</p> <p>9 Q. Okay. Did you understand it prior to</p> <p>10 today?</p> <p>11 A. I understood it during the presentation.</p> <p>12 Q. Did you independently determine whether the</p> <p>13 cash commutation proposal was in the range of</p> <p>14 expected payments?</p> <p>15 A. Can you repeat the question?</p> <p>16 Q. Did you independently determine whether the</p> <p>17 cash commutation proposal was within the range of</p> <p>18 expected payments?</p> <p>19 A. We relied on Duff to make that</p> <p>20 determination and they have outlined that here.</p> <p>21 Q. Has anyone at U.S. Bank ever addressed</p> <p>22 whether the FGIC rehabilitation plan was better than</p> <p>23 the FGIC settlement plan, and I mean better for</p> <p>24 certificate holders?</p> <p>25 MR. KOTWICK: Objection to the form.</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. Has anyone at U.S. Bank -- can you repeat</p> <p>3 the question?</p> <p>4 Q. Yeah.</p> <p>5 Has anyone at U.S. Bank ever made a</p> <p>6 determination as to whether the FGIC rehabilitation</p> <p>7 plan was better than the FGIC settlement plan?</p> <p>8 A. I don't know.</p> <p>9 Q. And has anyone ever made a determination</p> <p>10 with respect to whether the settlement plan was</p> <p>11 better than the rehabilitation plan?</p> <p>12 MR. KOTWICK: Objection to form.</p> <p>13 A. As I mentioned before, I -- I reviewed, you</p> <p>14 know, the presentation as Duff presented it and,</p> <p>15 according to that, made a determination that the</p> <p>16 FGIC settlement was in the best interest of holders</p> <p>17 and it was reasonable.</p> <p>18 Q. Did FGIC ever address -- excuse me. I</p> <p>19 apologize.</p> <p>20 Did Duff & Phelps ever say in sum and</p> <p>21 substance one plan is offering 27 to 30 cents on the</p> <p>22 dollar and one plan is offering approximately 21</p> <p>23 cents on the dollar, and yet this is why we think</p> <p>24 the plan offering less cents on the dollar is better</p> <p>25 for certificate holders?</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 MR. GREEN: Objection to the form.</p> <p>3 MR. KOTWICK: Objection to form.</p> <p>4 A. And I actually was distracted. Can you</p> <p>5 repeat the question?</p> <p>6 Q. Sure.</p> <p>7 MR. GELFARB: Can you read the question?</p> <p>8 (Record was read as requested.)</p> <p>9 A. I don't recall.</p> <p>10 Q. Do you recall anyone on the conference</p> <p>11 asking Duff & Phelps something to that effect?</p> <p>12 MR. KOTWICK: Objection to the form.</p> <p>13 A. No.</p> <p>14 Q. Excuse me?</p> <p>15 A. No.</p> <p>16 Q. Now, looking at page 3 again, and that's</p> <p>17 the executive summary, do you see that with the cash</p> <p>18 payments, and do you see the base scenario has a</p> <p>19 range of 220 to 340 million?</p> <p>20 A. Yes.</p> <p>21 Q. Okay. Have you ever undertaken any</p> <p>22 analysis as to whether that base scenario is</p> <p>23 reasonable?</p> <p>24 MR. KOTWICK: Objection to form.</p> <p>25 A. No.</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Do you know whether anyone -- whether</p> <p>3 anyone at U.S. Bank has undertaken any analysis as</p> <p>4 to whether that scenario is reasonable?</p> <p>5 MR. KOTWICK: Objection to form.</p> <p>6 A. No.</p> <p>7 Q. And did you undertake any analysis yourself</p> <p>8 as to whether the stress scenario was reasonable?</p> <p>9 A. No.</p> <p>10 MR. KOTWICK: Objection.</p> <p>11 Q. Do you know whether anyone at U.S. Bank</p> <p>12 other than yourself undertook any analysis as to</p> <p>13 whether the stress scenario was reasonable?</p> <p>14 MR. KOTWICK: Objection to form.</p> <p>15 A. No.</p> <p>16 Q. During the Duff & Phelps discussion, did</p> <p>17 they go into in any way any kind of discussion as to</p> <p>18 the reasonableness of the discount rates being</p> <p>19 applied under the base scenario?</p> <p>20 A. I don't recall.</p> <p>21 Q. And did they go into any analysis of the</p> <p>22 discount rates being applied under the stress</p> <p>23 scenario?</p> <p>24 A. I don't recall.</p> <p>25 Q. Do you know whether U.S. Bank ever asserted</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 any claims against ResCap?</p> <p>3 MR. KOTWICK: Objection to the form.</p> <p>4 A. U.S. Bank as trustee filed proofs of claim</p> <p>5 in the ResCap bankruptcy.</p> <p>6 Q. Against ResCap; correct?</p> <p>7 A. Against ResCap, the different debtor</p> <p>8 entities, yes.</p> <p>9 Q. Okay. Now, if the FGIC plan is accepted,</p> <p>10 do you know what's going to happen to those claims</p> <p>11 that U.S. Bank filed against ResCap?</p> <p>12 MR. GREEN: Objection to the form.</p> <p>13 Can you clarify "FGIC plan"?</p> <p>14 MR. GELFARB: By "FGIC plan" I'm referring</p> <p>15 to the plan by which the policies will be</p> <p>16 commuted in exchange for payment of 253 million</p> <p>17 and other consideration.</p> <p>18 A. And can you repeat the question?</p> <p>19 Q. Yes.</p> <p>20 What -- if that plan is accepted, the plan</p> <p>21 whereby the trusts will receive 253 million plus</p> <p>22 other consideration, what is going to happen to U.S.</p> <p>23 Bank's claims against ResCap?</p> <p>24 MR. KOTWICK: Objection to the form.</p> <p>25 Can I offer a clarification?</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 MR. GELFARB: Sure.</p> <p>3 MR. KOTWICK: Are you talking about the</p> <p>4 proofs of claim for the FGIC trusts? Are you</p> <p>5 talking about proofs of claim generally?</p> <p>6 MR. GELFARB: I'm interested in FGIC</p> <p>7 trusts.</p> <p>8 A. So as this FGIC plan -- or, sorry -- the</p> <p>9 FGIC settlement agreement is a part of the global</p> <p>10 ResCap plan, as a part of that, these trusts, these</p> <p>11 eight trusts for which U.S. Bank is trustee, will</p> <p>12 have an allowed claim in the ResCap bankruptcy.</p> <p>13 Q. And what is the amount of that claim?</p> <p>14 A. For these eight trusts?</p> <p>15 Q. Right.</p> <p>16 A. I don't have that information with me.</p> <p>17 Q. Is there anyone at U.S. Bank who would</p> <p>18 know?</p> <p>19 A. The information is listed on the schedules</p> <p>20 to the plan and disclosure statements. We could</p> <p>21 refer to those.</p> <p>22 Q. Do you believe that, as far as you know,</p> <p>23 and I understand you are not an attorney, that U.S.</p> <p>24 Bank has the authority to accept the commutation of</p> <p>25 the policies in exchange for the \$253 million</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 without Freddie Mac's consent?</p> <p>3 MR. KOTWICK: Objection to the form. Calls</p> <p>4 for a legal conclusion.</p> <p>5 MR. GELFARB: Can she answer the question?</p> <p>6 MR. KOTWICK: Yes, she can, to the extent</p> <p>7 she is able to.</p> <p>8 A. Can you repeat the question?</p> <p>9 Q. Yes.</p> <p>10 Is it your understanding that U.S. Bank has</p> <p>11 the authority to agree to commute the policies in</p> <p>12 exchange for the payment of 253 million plus other</p> <p>13 consideration without -- without Freddie Mac's</p> <p>14 consent?</p> <p>15 MR. KOTWICK: Same objection.</p> <p>16 A. Yes.</p> <p>17 Q. And what is that -- what is that based</p> <p>18 upon, that ability?</p> <p>19 A. At a very basic level, the trustee is able</p> <p>20 to act on behalf of the trust.</p> <p>21 Q. Do you know -- I mean, do you know where</p> <p>22 that authority is derived from exactly?</p> <p>23 A. We can refer to the various agreements. It</p> <p>24 could be derived from New York law.</p> <p>25 Q. I'd like to direct your attention to the</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 settlement agreement again. That's Exhibit 7.</p> <p>3 Now, you reviewed this document before you</p> <p>4 signed it; correct?</p> <p>5 A. Yes.</p> <p>6 Q. Okay. Now, take a look at Exhibit D. In</p> <p>7 particular, did you look at Exhibit D before you</p> <p>8 signed the agreement?</p> <p>9 MR. KOTWICK: D as in dog?</p> <p>10 MR. GELFARB: D as in dog.</p> <p>11 MR. KOTWICK: Objection. Asked and</p> <p>12 answered.</p> <p>13 A. I don't recall.</p> <p>14 Q. Do you see on page 2 there is a</p> <p>15 paragraph D?</p> <p>16 A. Yes.</p> <p>17 Q. All right. Do you understand that the</p> <p>18 settlement agreement referred to in that paragraph</p> <p>19 is the agreement for the \$253 million --</p> <p>20 A. Yes.</p> <p>21 Q. -- that we've been discussing? All right.</p> <p>22 Do you know why paragraph D is included in</p> <p>23 this document?</p> <p>24 MR. KOTWICK: To the extent that your</p> <p>25 knowledge is based on discussions with counsel,</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 I direct the witness not to answer the</p> <p>3 question. To the extent you have an</p> <p>4 independent basis, you should answer to the</p> <p>5 best of your knowledge.</p> <p>6 A. I can't answer the question.</p> <p>7 Q. All right. Have you worked on other deals</p> <p>8 that involve commuting of insurance policies while</p> <p>9 you've been at U.S. Bank?</p> <p>10 A. No.</p> <p>11 Q. Have you ever worked on a deal where you</p> <p>12 saw a judge being asked to sign something that said</p> <p>13 that U.S. Bank acted reasonably?</p> <p>14 A. Can you repeat the question?</p> <p>15 Q. Yeah.</p> <p>16 Have you ever worked on a deal while you've</p> <p>17 been at U.S. Bank where a judge was asked to sign an</p> <p>18 order saying that U.S. Bank acted reasonably?</p> <p>19 MR. KOTWICK: Objection to the form.</p> <p>20 A. I can't recall.</p> <p>21 Q. And what about a deal where a judge was</p> <p>22 asked to sign an order saying that U.S. Bank acted</p> <p>23 in good faith?</p> <p>24 MR. KOTWICK: Objection to the form.</p> <p>25 A. I can't recall.</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. And what about a deal where a judge was</p> <p>3 asked to sign an order saying that U.S. Bank acted</p> <p>4 in the best interests of investors in trusts for</p> <p>5 which U.S. Bank was a trustee?</p> <p>6 MR. KOTWICK: Objection to the form.</p> <p>7 A. I can't recall.</p> <p>8 Q. And what about a deal where a judge was</p> <p>9 asked to state that you were -- acted in the best</p> <p>10 interests of the investors in each trust?</p> <p>11 MR. KOTWICK: Objection to form.</p> <p>12 A. I don't recall.</p> <p>13 Q. Is your understanding that U.S. Bank has</p> <p>14 acted in good faith with respect to the commutation</p> <p>15 agreement?</p> <p>16 A. Yes.</p> <p>17 Q. And you have acted in good faith towards</p> <p>18 Freddie Mac?</p> <p>19 A. Yes.</p> <p>20 Q. And why do you believe that to be the case?</p> <p>21 A. We were approached with the settlement, the</p> <p>22 FGIC settlement. We engaged Duff & Phelps to do the</p> <p>23 analysis. We worked with counsel. We worked with</p> <p>24 the other trustees. We provided notice. I mean,</p> <p>25 this -- all of this was part of a mediation process</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 which demands acting in good faith.</p> <p>3 Q. What kind of notice did you ever give to</p> <p>4 Freddie Mac? You said you gave notice. Do you mean</p> <p>5 notice to Freddie Mac?</p> <p>6 A. Related to the FGIC settlement?</p> <p>7 Q. Yes.</p> <p>8 A. The trustee groups -- the trustee group</p> <p>9 gave a notice to all holders regarding the entry</p> <p>10 into the plan support agreement and the FGIC</p> <p>11 settlement and another notice went out on the eight</p> <p>12 trusts for which U.S. Bank is trustee regarding the</p> <p>13 FGIC settlement.</p> <p>14 Q. And by FGIC settlement, you mean a</p> <p>15 commuting of the policies?</p> <p>16 MR. KOTWICK: Objection to the form.</p> <p>17 A. Yes.</p> <p>18 Q. When did that notice to FGIC -- excuse</p> <p>19 me -- to Freddie Mac go out?</p> <p>20 MR. KOTWICK: Objection to the form.</p> <p>21 A. I would have to refer to the notices for</p> <p>22 the exact dates.</p> <p>23 Q. Can you approximate?</p> <p>24 A. It was very short after the entry into the</p> <p>25 plan support agreement, the first -- the first</p>
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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 notice went out and then shortly thereafter the</p> <p>3 second notice went out.</p> <p>4 Q. Is there any reason that Freddie Mac was</p> <p>5 not apprised of the possibility that policies might</p> <p>6 be commuted prior to the entry into the plan support</p> <p>7 agreement?</p> <p>8 A. We couldn't disclose any information. We</p> <p>9 were bound by court ordered confidentiality.</p> <p>10 Q. And did you think that Freddie Mac might</p> <p>11 have wanted to know that this was going on prior to</p> <p>12 the entry into the plan support agreement?</p> <p>13 MR. KOTWICK: Objection to the form.</p> <p>14 A. Can you repeat the question?</p> <p>15 Q. Yeah.</p> <p>16 Did you ever think that Freddie Mac might</p> <p>17 have wanted to know that this possibility of</p> <p>18 commutation of policies was going on prior to the</p> <p>19 entry into the plan support agreement?</p> <p>20 MR. KOTWICK: Objection to the form.</p> <p>21 A. Sure, they may have wanted to know.</p> <p>22 Q. Did you ever raise the issue of letting</p> <p>23 Freddie Mac know prior to the entry into the plan</p> <p>24 support agreement?</p> <p>25 MR. KOTWICK: Objection to the form.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. Again, we were bound by court ordered</p> <p>3 confidentiality.</p> <p>4 Q. Now, you see paragraph C says that "The</p> <p>5 settlement agreement and the transactions are in the</p> <p>6 best interests of the investors in each trust"?</p> <p>7 Do you see that?</p> <p>8 A. I do.</p> <p>9 Q. And you understand that Freddie Mac is an</p> <p>10 investor in the trust, in some trusts?</p> <p>11 A. Yes.</p> <p>12 Q. Why do you think it's in Freddie Mac's best</p> <p>13 interests to have this settlement agreement entered</p> <p>14 into?</p> <p>15 MR. KOTWICK: Objection. Asked and</p> <p>16 answered.</p> <p>17 A. Do you want me to go through all of the</p> <p>18 reasons --</p> <p>19 Q. Sure.</p> <p>20 A. -- again? So the settlement agreement</p> <p>21 itself, the trusts would no longer have to pay</p> <p>22 premiums. They are receiving a guaranteed amount, a</p> <p>23 set amount in this 253 million versus the</p> <p>24 alternative, which, you know, there's a lot of</p> <p>25 uncertainty surrounding the alternative plan.</p>

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<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 This particular FGIC settlement, again, was</p> <p>3 wrapped up within a larger global ResCap settlement</p> <p>4 for which there were various reasons we considered</p> <p>5 that to be in the best interest of holders. I can</p> <p>6 run through those reasons again for you, if you'd</p> <p>7 like.</p> <p>8 Q. Sure.</p> <p>9 A. You know, again, the global settlement</p> <p>10 allowed for a substantial increase to the value of</p> <p>11 the estate with the AFI contribution, resolved a lot</p> <p>12 of potential litigation, allowed for claims related</p> <p>13 to the additional settling trust to be allowed,</p> <p>14 servicing claims to be allowed. It made -- you</p> <p>15 know, it -- administrative expenses related to those</p> <p>16 disputes, that was, you know, abated, the decrease</p> <p>17 to the estate related to those administrative</p> <p>18 expenses, and then at the, you know, end of the day,</p> <p>19 these FGIC trusts had an allowed claim within the</p> <p>20 ResCap bankruptcy.</p> <p>21 Q. Do you understand that under the FGIC</p> <p>22 rehabilitation claim there is also going to be a</p> <p>23 lump sum payment?</p> <p>24 A. Pursuant to the Duff & Phelps report, yes,</p> <p>25 I believe they outlined a lump sum payment.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 Q. Do you know what the lump sum payment is</p> <p>3 supposed to be?</p> <p>4 A. I would have to confirm. I recall it being</p> <p>5 around 150 million, maybe.</p> <p>6 Q. Now, there are certain trusts and certain</p> <p>7 noteholders that are still going to be covered by</p> <p>8 the FGIC rehabilitation plan; correct?</p> <p>9 MR. KOTWICK: Objection.</p> <p>10 Q. Even if the -- even if the commutation</p> <p>11 agreement is entered into; correct?</p> <p>12 MR. KOTWICK: Objection. Form. Outside</p> <p>13 the scope.</p> <p>14 Q. Do you understand the question?</p> <p>15 A. Can you repeat the question?</p> <p>16 Q. Even -- even assuming that the commutation</p> <p>17 agreement is entered into, there are still going to</p> <p>18 be trusts that are going to get the deal that's</p> <p>19 proposed in the FGIC rehabilitation plan; correct?</p> <p>20 MR. KOTWICK: Objection to form.</p> <p>21 A. I'm not working on the FGIC rehabilitation,</p> <p>22 so I'm not familiar with what's involved.</p> <p>23 Q. So you don't know if, for example, U.S.</p> <p>24 Bank is still acting as trustee for trusts that will</p> <p>25 receive the FGIC rehabilitation plan, even if</p>
Page 140	Page 141
<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 certain of -- certain trusts are -- come under the</p> <p>3 commutation agreement; correct?</p> <p>4 MR. KOTWICK: Objection to the form.</p> <p>5 Outside the scope.</p> <p>6 A. Correct. I don't work on that issue, so</p> <p>7 I'm not familiar enough to speak.</p> <p>8 Q. Now, can you please take a look at</p> <p>9 Exhibit E to Exhibit No. 7?</p> <p>10 A. I'm sorry. Where did you want me to look?</p> <p>11 Q. Exhibit E of Exhibit 7.</p> <p>12 A. Oh, okay.</p> <p>13 Q. Have you read this document before today?</p> <p>14 A. This does not look familiar.</p> <p>15 Q. Okay. Now, referring back, Ms. Scott, to</p> <p>16 Exhibit D, do you know what will happen to the</p> <p>17 commutation agreement if the findings set forth in</p> <p>18 paragraphs C and D are not signed off, signed by the</p> <p>19 judge?</p> <p>20 MR. KOTWICK: Objection to the form, and to</p> <p>21 the extent any of your knowledge is based on</p> <p>22 communications with counsel, I advise you not</p> <p>23 to disclose that. To the extent you have</p> <p>24 independent basis outside of counsel, you</p> <p>25 should answer the question the best you can.</p>	<p>1 CONFIDENTIAL - M. SCOTT</p> <p>2 A. Can you repeat the question?</p> <p>3 Q. In the event that paragraphs C and D are</p> <p>4 not signed off on by the judge, do you know what</p> <p>5 will happen to the commutation agreement?</p> <p>6 MR. KOTWICK: Same objections. Same</p> <p>7 advice.</p> <p>8 A. I can't answer the question.</p> <p>9 MR. GELFARB: Okay. All right. No further</p> <p>10 questions. Thank you, Ms. Scott.</p> <p>11 MS. JAMES: I just have a couple of</p> <p>12 follow-up questions.</p> <p>13 EXAMINATION</p> <p>14 BY MS. JAMES:</p> <p>15 Q. Did U.S. Bank require the consent of the</p> <p>16 holders before entering into the FGIC settlement</p> <p>17 agreement?</p> <p>18 MR. KOTWICK: Objection. Calls for a legal</p> <p>19 conclusion.</p> <p>20 A. No.</p> <p>21 Q. Can holders of notes or certificates in the</p> <p>22 FGIC trusts opt out of the FGIC settlement</p> <p>23 agreement?</p> <p>24 A. No.</p> <p>25 Q. What if they don't like it, is there any</p>

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<p>1 CONFIDENTIAL - M. SCOTT 2 solution? 3 A. They -- 4 MR. KOTWICK: Objection. Objection to the 5 form. 6 A. They can object, as your clients are doing. 7 Q. Okay. Can noteholders or certificate 8 holders direct the trustees not to enter into the -- 9 not to -- not to agree to the commutations? 10 A. Can you repeat that? 11 Q. Can noteholders and certificate holders 12 under the various trusts direct the trustees not to 13 continue with the commutation agreement? 14 A. No. 15 Q. No? Why not? 16 A. My understanding is that FGIC is the 17 controlling party in the documents. 18 Q. So even if all noteholders under a 19 particular trust contacted U.S. Bank and said, 20 "Don't do this, we don't like it," it's your view 21 that it's too late, FGIC has a right to decide, not 22 the noteholders? 23 MR. KOTWICK: Objection. Calls for a legal 24 conclusion. 25 A. And I can't really speak to hypotheticals.</p>	<p>1 CONFIDENTIAL - M. SCOTT 2 I mean, I do know that holders object. There is an 3 opportunity to object to the settlement if holders 4 don't agree to it. 5 Q. Have any holders of notes or certificates 6 under any of the FGIC wrapped U.S. Bank trusts 7 directed the trustees to stop the commutations or to 8 take a different path? 9 MR. KOTWICK: Objection to form. 10 A. Can you repeat the question? 11 Q. Has U.S. Bank received any directions from 12 any certificate holders or noteholders regarding the 13 commutations? 14 A. Other than your clients? 15 Q. We are objecting to the bankruptcy court. 16 I'm asking if U.S. Bank has received any directions 17 from noteholders or certificate holders in 18 connection with the commutations? 19 A. No. 20 MS. JAMES: Okay. Thank you. Those were 21 my questions. 22 THE WITNESS: Okay. 23 MS. JAMES: Are you good? 24 MR. GELFARB: That's it. 25 MR. KOTWICK: Mr. Green, do you have any</p>
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<p>1 CONFIDENTIAL - M. SCOTT 2 questions? 3 MR. GREEN: Nothing. Thank you. I've got 4 nothing, nothing in terms of redirect. I think 5 this concludes. 6 (Time noted: 3:41 P.M.) 7 8 9 MAMTA SCOTT 10 11 Subscribed and sworn to before me 12 this _____ day of _____ 20__. 13 _____ 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 2 C E R T I F I C A T E 3 I, Paula Campbell, CSR, RDR, CRR, CCP, do 4 hereby certify that on Thursday, July 18, 2013 5 appeared before me, MAMTA SCOTT. 6 I further certify that the said witness was 7 first duly sworn to testify to the truth in the 8 cause aforesaid. 9 I further certify that the signature of the 10 witness to the foregoing deposition was not waived 11 by agreement of counsel. 12 I further certify that I am not counsel for 13 nor in any way related to any of the parties to 14 this suit, nor financially interested in the 15 action. 16 IN TESTIMONY WHEREOF, I have hereunto set my 17 hand on this 18th day of July, 2013. 18 19 20 Paula Campbell, CSR, RDR, CRR, CCP 21 Certified Shorthand Reporter 22 Registered Diplomate Reporter 23 Certified Realtime Reporter 24 Certified CART Provider 25 Illinois C.S.R. No. 084-003481</p>

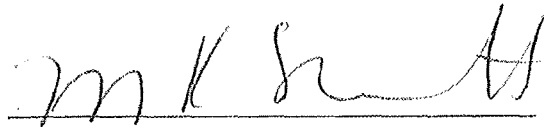
Page 146	Page 147
<p>1 2 ----- I N D E X ----- 3 4 WITNESS EXAMINATION BY PAGE 5 MAMTA SCOTT MS. JAMES 7, 141 6 MR. GELFARB 90 7 8 -----EXHIBITS----- 9 SCOTT PAGE LINE 10 Exhibit 1 Notice of Deposition of 10 6 U.S. Bank National 11 Association 12 Exhibit 2 Notice of Hearing on 12 11 Debtors' Motion Pursuant 13 to Fed. R. Bankr. P. 9019 for Approval of the 14 Settlement Agreement Among the Debtors, FGIC, The 15 FGIC Trustees and Certain Institutional Investors 16 Exhibit 3 Exhibit 1 to the 9019 36 5 motion 17 Exhibit 4 e-mail exchange with 48 5 attachment, Bates stamped 18 USB-MS 00068 through 078 Exhibit 5 Declaration of Mamta K. 78 8 19 Scott as Officer of U.S. Bank, as RMBS Trustee 20 Exhibit 6 Duff & Phelps FGIC 83 16 Commutation Proposal 21 Discussion Materials, Bates stamped TR-MS000001 22 through 009 Exhibit 7 Settlement Agreement dated 102 14 23 5/23/13 Exhibit 8 e-mail chain between Mamta 106 17 24 Scott and David Gelfarb 25 Exhibit 9 Intex desktop screenshot 109 25</p>	<p>1 2 -----EXHIBITS----- 3 SCOTT PAGE LINE 4 Exhibit 10 Duff & Phelps draft FGIC 111 23 Commutation Proposal 5 Discussion Materials, 6 Bates stamped DUFF-MD 00003 through 010 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>
Page 148	
<p>1 2 ERRATA SHEET FOR THE TRANSCRIPT OF: 3 CASE NAME: In Re: Residential Capital 4 DEPOSITION DATE: July 18, 2013 5 WITNESS NAME: Mamta Scott 6 Reason codes: 7 1. To clarify the record. 8 2. To conform to the facts. 9 3. To correct transcription errors. 10 Page ____ Line ____ Reason ____ From ____ to ____ 11 12 Page ____ Line ____ Reason ____ From ____ to ____ 13 14 Page ____ Line ____ Reason ____ From ____ to ____ 15 16 Page ____ Line ____ Reason ____ From ____ to ____ 17 18 Page ____ Line ____ Reason ____ From ____ to ____ 19 20 Page ____ Line ____ Reason ____ From ____ to ____ 21 22 MAMTA SCOTT 23 SUBSCRIBED TO AND SWORN BEFORE ME 24 THIS ____ DAY OF ____, 20__. 25 (Notary Public) MY COMMISSION EXPIRES: _____</p>	

CONFIDENTIAL - M. SCOTT

questions?

MR. GREEN: Nothing. Thank you. I've got nothing, nothing in terms of redirect. I think this concludes.

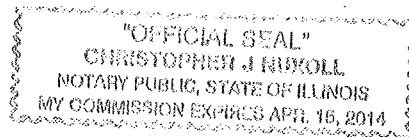
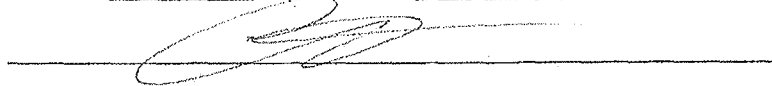
(Time noted: 3:41 P.M.)



MAMTA SCOTT

Subscribed and sworn to before me

this 25TH day of JULY 2013.



ERRATA SHEET FOR THE TRANSCRIPT OF:

CASE NAME: In Re: Residential Capital

DEPOSITION DATE: July 18, 2013

WITNESS NAME: Mamta Scott

Reason codes:

1. To clarify the record.
2. To conform to the facts.
3. To correct transcription errors.

Page 40 Line 16 Reason 3

From MBAA to MBIA

Page _____ Line _____ Reason _____

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MAMTA SCOTT

SUBSCRIBED TO AND SWORN BEFORE ME

THIS 25TH DAY OF JULY, 2013.

"OFFICIAL SEAL"
CHRISTOPHER J. RUMOLL
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES APRIL 15, 2014


(Notary Public) MY COMMISSION EXPIRES: 4/15/14